



NIAGARA REGION

Quarterly Financial Update

September 2013



Quarterly Financial Update

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On behalf of Niagara Region, we are pleased to present the third quarter financial update.

Niagara is a culturally rich and historically significant region that offers its 447,000 residents a mix of urban and rural living across 12 area municipalities. The region boasts a diverse economy that includes manufacturing, tourism, agriculture and emerging sectors such as new media, green technology and bioscience.

Regional government operations are administered by Niagara Regional Council which is comprised of 30 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in October 2010 and the 31 members will serve a four year team to November 30, 2014.

In the first three quarters of the year, the Niagara Region demonstrated its focus on strengthening governance and financial sustainability through the achievement of Standard & Poor's AA (stable) debt rating, the receipt of The Government Finance Officers Association Distinguished Budget Presentation award and Council's approval of an Integrity Commissioner. In addition, Niagara Region has selected a shortlist of vendors to provide a new financial management information system that will strengthen its financial control framework.

As of September 30, 2013 Niagara Region is forecasting a year end funding surplus of \$5.9 million (\$0.9 million deficit related to the levy programs and \$6.8 million surplus related to rate programs). This surplus represents 0.7 per cent of Niagara Region's 2013 operating budget. This surplus is being generated mainly from reduced winter control costs, unexpended funds from the provision made for emergency water main repairs, higher investment income, and is offset by costs associated with the arbitrated settlement of a Niagara Regional Police Service collective agreement.

Affordability and sustainability are two key elements of Niagara Region's budget strategy. Achieving a balance between delivering the programs and services residents rely on, ensuring they can afford to pay for them and that Niagara Region has the money to fund future infrastructure and programs is critical.

We trust you will find value in the information provided in this report and welcome your suggestions for future improvement at www.niagararegion.ca.

Debbie Elliott

Debbie Elliott, Acting Commissioner of Corporate Services

Chris McQueen

Chris McQueen, Treasurer / Acting Director, Financial Management & Planning

Readers of this mid-year financial update are cautioned that actual operating results may vary from the forecast information presented. Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this mid-year financial update.



Consolidated Funding Surplus/(Deficit) Review

Description	Levy	Water & Wastewater	Waste Management	Total
Operating Funding Surplus/(Deficit)				
Regional Departments	\$ 1,883,958	\$ 3,089,439	\$ 3,663,750	\$ 8,637,147
General Government & Special/Joint Initiatives	1,553,934	-	-	1,553,934
Boards and Agencies	(4,289,880)	-	-	(4,289,880)
Operating Funding Surplus/(Deficit)	\$ (851,988)	\$ 3,089,439	\$ 3,663,750	\$ 5,901,201

Comments

Levy supported Regional departments are forecasting a surplus of \$1,883,958 which represents 0.5 per cent of the budgeted gross expenditure for departments. Public Works Levy is forecasting a surplus of \$0.9 million primarily due to expected savings in the Transportation division as a result of favourable winter conditions experienced in early 2013. Public Health is projecting a surplus of \$0.5 million primarily due to expected savings in personnel costs resulting from staff leaves. These surpluses are offset by deficits in various departments (see commentary in the department pages of this booklet).

Levy supported General Government is forecasting a surplus of \$1,553,934 primarily due to increased net investment income of \$1.2 million, which includes a forecasted \$1 million transfer to reserves for interest allocation and a \$0.4 million transfer from the investment income stabilization reserve.

Levy supported boards and agencies are forecasting a deficit of \$4,289,880 that is mainly being driven by the arbitrated settlement awarded to the NRPS for the Niagara Regional Police Association's Uniform and Civilian Collective Agreements (January 1, 2012 to December 31, 2012). The terms of the award and the subsequent settlement of the 2013 to 2015 Collective Agreements are expected to have a \$5.7 million impact on the NRPS 2013 operating results.

Water and Wastewater Services surplus of \$3,089,439 is primarily due to a combination of a milder/drier winter (which has yielded lower than projected winter maintenance costs), unexpended funds from the provision made annually for emergency repairs to equipment and water mains and an unexpected downtime of both centrifuges.

Waste Management Services surplus of \$3,663,750 is primarily due to savings in purchased services and materials and the timing of Stewardship Ontario/Waste Diversion Organization Blue Box funding received for 2013.

The net levy deficit will be addressed in accordance with the Council approved Surplus/Deficit Policy at year-end. It is recommended that the forecasted net levy deficit of \$851,988 be funded partially from the police contingency and police services board contingency reserves, as NRPS is the primary driver of the deficit and that any remaining deficit be funded from the contingency reserve. Final allocation of the year-end surplus/deficit is subject to approval by Council projected to occur in early 2014.

It is recommended that the forecasted rate surplus of \$3,089,439 for Water and Wastewater and \$3,663,750 for Waste Management be incorporated into rate stabilization and/or the long-term capital financing plans for the Water and Wastewater and Waste Management programs.

Notes

The forecasts presented have been derived using assumptions and estimates from information available to management at the time of writing this quarterly financial update. Readers of this third quarter financial update are cautioned that actual results may vary from the forecast information presented.

It is also important to note that there are certain risks to the forecast which include:

- Results of current collective bargaining are unknown
- Legal liability could fluctuate at year-end depending on claim status
- Line of sight on supplemental taxes, payments-in-lieu and assessment appeals are limited, as all information for these items is not available from the local area municipalities until year-end. To this extent, the forecast for these items remains at budget.

Consolidated - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 347,104,922	\$ 259,477,380	\$ 259,568,237	\$ (90,857)	\$ 91,102,609	\$ 350,670,846	\$ (3,565,924)
Administrative Expenses	7,695,900	5,782,455	5,009,134	773,321	2,566,762	7,575,896	120,004
Materials, Supplies & Utilities	47,483,096	34,650,974	31,870,387	2,780,587	14,036,110	45,906,497	1,576,599
Repairs & Maintenance	18,902,535	13,975,838	13,393,440	582,398	5,285,931	18,679,371	223,164
Purch. Serv. & Other Operating Exp.	128,399,211	95,413,661	90,143,955	5,269,706	38,341,688	128,485,643	(86,432)
Social Assistance	98,641,329	73,980,761	68,036,136	5,944,625	23,050,374	91,086,510	7,554,819
Financial Expenditures	55,426,514	45,370,969	45,142,231	228,738	10,501,691	55,643,922	(217,408)
Capital Equipment & Renovations	1,968,647	1,478,850	1,478,128	722	1,098,608	2,576,736	(608,089)
Housing Provider Subsidy & Supplements	28,649,595	21,487,173	20,990,303	496,870	7,637,809	28,628,112	21,483
Transfers to Reserves	74,759,878	51,442,120	51,776,136	(334,016)	22,137,117	73,913,253	846,625
Allocations to Capital Program	(1,894,559)	(1,420,902)	(1,261,916)	(158,986)	(607,098)	(1,869,014)	(25,545)
Total Gross Expenditure	807,137,068	601,639,279	586,146,171	15,493,108	215,151,601	801,297,772	5,839,296
Revenue							
Taxation - Levy	(318,942,420)	(227,328,909)	(227,494,911)	166,002	(91,494,290)	(318,989,201)	46,781
Taxation - Rate	(142,618,218)	(106,963,542)	(106,324,266)	(639,276)	(35,611,744)	(141,936,010)	(682,208)
Ontario/Canada Grants	(240,540,250)	(180,232,226)	(176,384,063)	(3,848,163)	(61,161,917)	(237,545,980)	(2,994,270)
Fees & Service Charges	(38,180,575)	(28,637,734)	(28,492,249)	(145,485)	(9,570,124)	(38,062,373)	(118,202)
Other Revenue	(57,497,022)	(42,781,288)	(45,204,731)	2,423,443	(14,100,759)	(59,305,490)	1,808,468
Transfers from Reserves	(9,358,583)	(7,471,064)	(10,927,237)	3,456,173	(432,682)	(11,359,919)	2,001,336
Total Revenue	(807,137,068)	(593,414,763)	(594,827,457)	1,412,694	(212,371,516)	(807,198,973)	61,905
Net Expenditure/(Revenue)	\$ -	\$ 8,224,516	\$ (8,681,286)	\$ 16,905,802	\$ 2,780,085	\$ (5,901,201)	\$ 5,901,201

Variance Analysis

The \$3,565,924 unfavourable variance in Personnel Costs is mainly driven by:

- The Niagara Regional Police Service receipt of the arbitrated award for the Niagara Region Police Association's Uniform and Civilian Collective Agreements (January 1, 2012 to December 31, 2012). The terms of the award and subsequent settlement of the 2013 to 2015 collective agreements are expected to have a \$5.7 million impact on the NRPS 2013 operating results. This impact has been partially offset by a \$0.7 million refund received in July 2013 for Administrative Service Only benefits.
- The unfavourable variance is offset partially by positive variances in other departments including \$1 million from Public Works and Water and Wastewater Services and \$0.4 million in Public Health (see commentary in department pages of this booklet)

The \$1,576,599 favourable variance in Materials, Supplies & Utilities is mainly being driven by:

- The Transportation division within Public Works where activities for the program are directly related to the weather. Cost savings were experienced in fuel purchases, vehicle parts and supplies, and a variety of other road maintenance supplies including winter salt and sand as a result of favourable winter conditions experienced in early 2013
- Savings were experienced in Waste Management due to lower contract payments to Waterloo and Haldimand and other third party vendors due to lower recycling market costs

The positive variance in Social Assistance and unfavourable variance in Ontario/Canada Grants is the result of a caseload dominated by singles; allowances and benefits are lower.

The favourable variance in Other Revenue is primarily the result of additional investment income (see investment report for further details on page 46).

See pages 39 and 40 for a full reconciliation of reserve transfers outside of the 2013 Council approved budget

General Government - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 1,127,686	\$ 908,969	\$ 889,884	\$ 19,085	\$ 296,587	\$ 1,185,471	\$ (57,785)
Administrative Expenses	119,384	100,362	93,006	7,356	10,169	103,175	16,209
Materials, Supplies & Utilities	29,400	22,023	23,612	(1,589)	6,780	30,392	(992)
Repairs & Maintenance	52,900	39,672	7,769	31,903	-	7,769	45,131
Purch. Serv. & Other Operating Exp.	6,284,054	4,713,018	4,464,827	248,191	1,830,019	6,294,846	(10,792)
Financial Expenditures	42,924,940	34,231,809	34,598,613	(366,804)	8,296,764	42,895,377	29,563
Capital Equipment & Renovations	800	594	2,951	(2,357)	-	2,951	(2,151)
Transfers to Reserves	24,242,882	12,167,374	12,487,393	(320,019)	11,514,868	24,002,261	240,621
Allocations Between Departments	1,241,290	930,960	933,691	(2,731)	310,330	1,244,021	(2,731)
Total Gross Expenditure	76,023,336	53,114,781	53,501,746	(386,965)	22,264,517	75,766,263	257,073
Revenue							
Taxation - Levy	(318,942,420)	(227,328,909)	(227,494,912)	166,003	(91,494,290)	(318,989,202)	46,782
Fees & Service Charges	-	-	(26,188)	26,188	26,188	-	-
Other Revenue	(12,285,633)	(8,871,306)	(10,188,455)	1,317,149	(3,280,201)	(13,468,656)	1,183,023
Transfers from Reserves	(2,882,667)	(2,478,917)	(2,478,917)	-	(403,750)	(2,882,667)	-
Total Revenue	(334,110,720)	(238,679,132)	(240,188,472)	1,509,340	(95,152,053)	(335,340,525)	1,229,805
Net Expenditure/(Revenue) before Indirect Allocation	(258,087,384)	(185,564,351)	(186,686,726)	1,122,375	(72,887,536)	(259,574,262)	1,486,878
Indirect Allocation							
Indirect Allocation	(2,018,218)	(1,513,665)	(1,509,432)	(4,233)	(561,071)	(2,070,503)	52,285
Debt Allocation	(47,539,092)	(33,987,676)	(34,072,613)	84,937	(13,466,250)	(47,538,863)	(229)
Total Indirect Allocation	(49,557,310)	(35,501,341)	(35,582,045)	80,704	(14,027,321)	(49,609,366)	52,056
Net Expenditure/(Revenue) after Indirect Allocation	\$ (307,644,694)	\$ (221,065,692)	\$ (222,268,771)	\$ 1,203,079	\$ (86,914,857)	\$ (309,183,628)	\$ 1,538,934

Community Impacts & Achievements

Risks associated in General Government include:

- Legal liability could fluctuate at year-end depending on claims status
- Limited insight into municipal write-offs and tax due to year-end reporting; current forecast is on target with budget

Variance Analysis

The favourable variance in Other Revenue is primarily the result of additional investment income (see investment report for further details on page 46).

The favourable variance in Transfers to Reserves is the result of offsetting unfavourable variances relating to the timing of debt issue.



Corporate Administration - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 1,966,186	\$ 1,477,789	\$ 1,466,510	\$ 11,279	\$ 499,796	\$ 1,966,306	\$ (120)
Administrative Expenses	187,186	140,762	154,463	(13,701)	51,390	205,853	(18,667)
Materials, Supplies & Utilities	31,350	23,481	27,256	(3,775)	9,423	36,679	(5,329)
Purch. Serv. & Other Operating Exp.	123,450	92,565	96,309	(3,744)	39,529	135,838	(12,388)
Capital Equipment & Renovations	1,750	1,296	811	485	1,950	2,761	(1,011)
Allocations Between Departments	7,411	5,562	4,623	939	1,849	6,472	939
Total Gross Expenditure	2,317,333	1,741,455	1,749,972	(8,517)	603,937	2,353,909	(36,576)
Revenue							
Other Revenue	(23,000)	(17,253)	(25,254)	8,001	-	(25,254)	2,254
Total Revenue	(23,000)	(17,253)	(25,254)	8,001	-	(25,254)	2,254
Net Expenditure/(Revenue) before Indirect Allocation	2,294,333	1,724,202	1,724,718	(516)	603,937	2,328,655	(34,322)
Indirect Allocation							
Indirect Allocation	234,515	175,916	227,729	(51,813)	65,163	292,892	(58,377)
Debt Allocation	124,540	70,866	74,264	(3,398)	53,489	127,753	(3,213)
Total Indirect Allocation	359,055	246,782	301,993	(55,211)	118,652	420,645	(61,590)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 2,653,388	\$ 1,970,984	\$ 2,026,711	\$ (55,727)	\$ 722,589	\$ 2,749,300	\$ (95,912)

Corporate Administration - Statement of Operations (continued)

Community Impacts & Achievements

The Corporate Administration (Council, Offices of the Regional Chair and Chief Administrative Officer) budget is largely personnel cost driven. This team provides overall political leadership, governance, policy direction, management and administration of the Corporation.

Major Priorities / Initiatives include:

- Implementing Council's 2012-2015 Business Plan that aims to improve services and reduce costs; improve Niagara's economy, governance and community services
- Leadership in review of the Region's various programs and service delivery areas for continuous improvement. Driving improved effectiveness and greater efficiency including development of clear and meaningful performance measures
- Delivering effective government and stakeholder relations to leverage partnerships and secure provincial and federal government support for Niagara's program and infrastructure needs and priorities

Major 2013 Deliverables include:

- Business Planning Sessions/Committees of the Whole, addressing; governance, the Housing and Homelessness Plan, development charges, the region-wide water and wastewater service review and the investigation and deliberation of an inter-municipal transit program
- Enabling the "Responsive Region Improvement Team" to continue, as well as support program reviews to enhance service to residents; find process improvements; and achieve measurable savings for Niagara taxpayers
- Delivered another successful "Niagara Week" government relations event in Queen's Park to educate the provincial government on the needs of Niagara and secure their support for our priorities
- Promotion and support of Niagara's Economic Development model that leverages collective efforts in Niagara, to improve business retention, expand services and provide one window service to potential businesses in Niagara
- Direction on a number of facilities related projects, integral to enhanced service delivery, including POA, NRPS and Council chambers
- Support and scoping of enhanced processes and approaches including but not limited to, a new financial management system, lakefront enhancement strategy, Niagara age-friendly and Niagara Region's cultural capital of Canada program

Variance Analysis / Vacancy Management

Council attending conferences and conventions has a significant budget impact; along with Q3 Council approval of an Interim Integrity Commissioner.

Due to the departure of the Director of Administration and the Chief Administrative Officer, additional payroll-related costs have been incurred. Departure costs include vacation entitlements and recruitment for the new Chief Administrative Officer. While efforts are being made to mitigate this anticipated variance through reductions to other areas, it is anticipated that a negative variance will be forthcoming at year-end.

Corporate Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 18,056,787	\$ 13,696,056	\$ 13,284,144	\$ 411,912	\$ 4,536,436	\$ 17,820,580	\$ 236,207
Administrative Expenses	458,298	352,415	264,503	87,912	166,497	431,000	27,298
Materials, Supplies & Utilities	2,078,155	1,556,575	1,246,713	309,862	540,290	1,787,003	291,152
Repairs & Maintenance	2,059,838	1,544,760	1,442,610	102,150	526,800	1,969,410	90,428
Purch. Serv. & Other Operating Exp.	7,223,852	5,421,436	5,738,784	(317,348)	2,450,322	8,189,106	(965,254)
Financial Expenditures	213,687	160,257	154,111	6,146	51,848	205,959	7,728
Capital Equipment & Renovations	21,610	17,017	53,613	(36,596)	15,800	69,413	(47,803)
Allocations Between Departments	(180,978)	(135,837)	(152,976)	17,139	(45,141)	(198,117)	17,139
Allocations to Capital Program	(127,500)	(95,625)	(159,747)	64,122	(85,185)	(244,932)	117,432
Total Gross Expenditure	29,803,749	22,517,054	21,871,755	645,299	8,157,667	30,029,422	(225,673)
Revenue							
Ontario/Canada Grants	(12,500)	(11,390)	(14,923)	3,533	(2,577)	(17,500)	5,000
Fees & Service Charges	(145,101)	(108,819)	(15,040)	(93,779)	(54,300)	(69,340)	(75,761)
Other Revenue	(563,766)	(422,766)	(453,117)	30,351	(193,047)	(646,164)	82,398
Transfers from Reserves	(2,496,477)	(1,981,097)	(2,109,162)	128,065	(576,315)	(2,685,477)	189,000
Total Revenue	(3,217,844)	(2,524,072)	(2,592,242)	68,170	(826,239)	(3,418,481)	200,637
Net Expenditure/(Revenue) before Indirect Allocation	26,585,905	19,992,982	19,279,513	713,469	7,331,428	26,610,941	(25,036)
Indirect Allocation							
Indirect Allocation	(26,585,905)	(19,992,982)	(19,279,513)	(713,469)	(7,331,428)	(26,610,941)	25,036
Total Indirect Allocation	(26,585,905)	(19,992,982)	(19,279,513)	(713,469)	(7,331,428)	(26,610,941)	25,036
Net Expenditure/(Revenue) after Indirect Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Corporate Services - Statement of Operations (continued)

Community Impacts & Achievements

A significant number of projects were initiated by Corporate Services in the first three quarters of 2013 including:

- Rollout of the contractor management system – a partnership with IT, purchasing and health & safety staff to assist with the risk management and accessibility of contractor administration.
- Legal support for a number of files, including: NRPS facilities, general procurement issues, Fort Erie speedway appeal successfully defended; Water/Wastewater review; wind energy; POA site selection.
- Continued work on several NRPS & EMS facility projects – 1 & 2 District, and NRPS headquarters (tender award), as well as the Niagara Emergency Medical Services facility slated to be built on-site at Regional headquarters.
- Proposed 2014 budget for Regional departments below council guidance (1.78 per cent).
- A number of tenders released or awarded in the third quarter, including the award for the Niagara Regional Police Service headquarters, tender closed for the Enhanced Financial Management Services (EFMS) project, and the tender for the Burgoyne Bridge released (to close on November 26, 2013).
- At end of Q3, changes to our absence management process have had positive results, showing increased compliance with medical certificate requirements, and a reduction in sick leave usage to date.
- Retained architect for Niagara Emergency Medical Services facility slated to be built on-site at Regional headquarters.
- Support for Chief Administrative Officer recruitment.
- In Q3, IT Solutions continued work on 77 separate projects, and completed 26 projects for our client groups across the corporation. Completed projects include: Capital forecast visualization enhancements, Open Data pilot, EMS Tools updates, beach monitoring system upgrades, and personal services setting disclosure system.
- Government Finance Officers Association financial reporting award for fiscal year ending in 2012 for transparency and clarity in financial reporting.
- Council chambers renovations underway, with work on track for completion in Q1 of 2014.
- 5,567 IT service requests in the third quarter (compared to 4,990 in the first and 5,632 in the second quarter), a 13 per cent increase over IT service requests in the third quarter of 2012.
- Official opening for Deer Park Villa (new construction and renovation) in September of 2013.

Variance Analysis

Corporate Services has a year-to-date surplus of \$713,469 and is currently forecasting a year-end deficit of \$25,036. To date, favourable variances have occurred in Personnel Costs with gapping dollars resulting from a number of delays in filling vacancies, ongoing temporary and acting positions occurring across the department, and corporate reorganizations. In addition, a favourable variance in Materials, Supplies and Utilities resulting from favourable weather conditions, conservation efforts and costs rising for electricity and natural gas at a lower than anticipated rate in the three quarters of 2013.

Although not to the extent as previously forecasted, unfavourable variances in Purchased Services have occurred as a result of the administration of various insurance costs, mainly the resolution of a number of legal claims on behalf of areas of the corporation. This includes the costs related to external legal assistance in a number of these cases.

Vacancy Management

Favourable variances in Personnel Costs have occurred mainly in our Human Resources and IT Solutions divisions. In our IT Solutions division, the backfilling of the Directors role, and the unfilled vacancy of a current management position, has led to increased gapping dollars in Q3. In the first half of 2013, three postings for vacancies early in Q1 were filled late in Q1, and one further vacancy created due to the termination of an employee in Q1 was filled in Q3. Additionally, an FTE approved in 2012 for IT disaster recovery support was delayed in posting and not filled until Q2.

Minor savings continue to occur in our Legal and Court Services division due to lower than budgeted personnel costs in relation to a number of new staff, with similar savings occurring given the acting position of the Commissioner of Corporate Services.

Our HR division has a significant variance in personnel costs given the timing for posting and filling of an FTE approved in the 2012 budget (labour relations), and additionally the savings created through the backfilling of positions occurring given the temporary posting of the Director to the Commissioner role, and the departure of personnel in other management positions. This has created acting postings (director, manager, supervisor, etc.), leading to a positive variance in personnel costs in the first three quarters of 2013.

Integrated Community Planning Department (ICP) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 4,653,920	\$ 3,494,765	\$ 3,797,029	\$ (302,264)	\$ 1,271,624	\$ 5,068,653	\$ (414,733)
Administrative Expenses	187,590	144,791	289,753	(144,962)	154,596	444,349	(256,759)
Materials, Supplies & Utilities	282,985	212,130	211,424	706	95,746	307,170	(24,185)
Repairs & Maintenance	53,350	39,987	68,598	(28,611)	24,000	92,598	(39,248)
Purch. Serv. & Other Operating Exp.	1,734,574	1,304,563	1,136,489	168,074	1,055,885	2,192,374	(457,800)
Financial Expenditures	1,000,000	750,000	307,489	442,511	693,000	1,000,489	(489)
Capital Equipment & Renovations	15,265	11,403	19,488	(8,085)	7,465	26,953	(11,688)
Allocations Between Departments	(629,373)	(472,005)	(482,218)	10,213	(157,368)	(639,586)	10,213
Total Gross Expenditure	7,298,311	5,485,634	5,339,637	145,997	3,144,948	8,484,585	(1,186,274)
Revenue							
Ontario/Canada Grants	-	-	(619,736)	619,736	-	(619,736)	619,736
Fees & Service Charges	(81,000)	(60,741)	(30,714)	(30,027)	(101,000)	(131,714)	50,714
Other Revenue	(110,000)	(82,494)	(157,353)	74,859	-	(157,353)	47,353
Transfers from Reserves	(126,915)	(94,952)	(928,665)	833,713	18,037	(910,628)	783,713
Total Revenue	(317,915)	(238,187)	(1,736,468)	1,498,281	(82,963)	(1,819,431)	1,501,516
Net Expenditure/(Revenue) before Indirect Allocation	6,980,396	5,247,447	3,603,169	1,644,278	3,061,985	6,665,154	315,242
Indirect Allocation							
Indirect Allocation	(167,649)	(125,745)	(77,241)	(48,504)	(46,610)	(123,851)	(43,798)
Debt Allocation	632,814	362,725	331,302	31,423	269,361	600,663	32,151
Total Indirect Allocation	465,165	236,980	254,061	(17,081)	222,751	476,812	(11,647)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 7,445,561	\$ 5,484,427	\$ 3,857,230	\$ 1,627,197	\$ 3,284,736	\$ 7,141,966	\$ 303,595

Integrated Community Planning Department (ICP) - Statement of Operations (continued)

Community Impacts & Achievements

Mission - Integrated Community Planning supports effective decision-making based on meaningful engagement, research, planning and focused actions to deliver responsible public policy, resulting in good governance for Niagara. The department supports Council and the Corporate Management Team with long-term planning. The long-term solutions for Niagara require alignment between departments, to support the interests of community stakeholders. Our mission is to support the achievement of the following Council Business Plan themes and actions:

- Responsive Region: continued implementation of the Regional emergency planning review, completion of an economic impact assessment for culture
- Healthy Communities: initiate the next phase of the Human Services plan, with an emphasis on investing in prosperity and a review of the Local Food Action plan
- Open for Business: Marketing the Gateway with Economic Development, Community Improvement plan with area municipalities, launching Imagine Niagara (a five year review of the Regional Policy Plan); improving economic prosperity in Niagara; and Bi-National initiatives
- Integrated Transportation System: Update the Niagara transportation strategy and related policies in the Regional Policy Plan
- Environmental Responsibility: Niagara Water Strategy, Great Lakes Stewardship
- Public Engagement and Communications: support corporate-wide communications, build stronger brand awareness, and completed the 2014 pre-budget public engagement project

For further details regarding major projects and initiatives, see ICP 5-2013, 2013 Workplan

Variance Analysis

Integrated Community Planning anticipates a year-end surplus of \$315,242 before indirect allocations. The favourable surplus in Ontario/Canada Grants is primarily due to finalization of financial reporting for the Cultural Capital Canada designation that resulted in a surplus for the Region; additional Fees and Service Charges in the second part of the year related to pending planning applications; and Other Revenue received for the 2014 Federation of Canadian Municipalities conference. The balance of the object of expenditure variances relate to the timing of project completion, including, but not limited to: Lakefront Enhancement Strategy, Employment Land Inventory and Non-Gateway Employment Lands. Some of these project expenditures created a deficit in operating expenses such as administrative costs and purchasing services, but are off-set by the 2012 encumbrance (shown in Transfers from Reserves) and the reimbursement of expenditures for the Cultural Capital of Canada (shown in Ontario/Canada Grants). Integrated Community Planning anticipates that these projects will be completed by year-end.

Variance Analysis

Variance in personnel costs is due to a combination of gapping dollars related to the vacancy of the Deputy Clerks position and contract staff (e.g. Watersmart, Greater Niagara Circle Route) that are funded from one time sources.

Public Works Levy - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 17,431,638	\$ 13,098,378	\$ 12,418,755	\$ 679,623	\$ 4,462,937	\$ 16,881,692	\$ 549,946
Administrative Expenses	1,336,092	1,003,056	790,999	212,057	335,083	1,126,082	210,010
Materials, Supplies & Utilities	6,660,346	4,995,389	4,287,728	707,661	1,770,244	6,057,972	602,374
Repairs & Maintenance	323,500	242,559	183,212	59,347	73,015	256,227	67,273
Purch. Serv. & Other Operating Exp.	7,761,553	5,824,673	5,422,691	401,982	2,067,100	7,489,791	271,762
Financial Expenditures	500,000	374,994	471,136	(96,142)	362,045	833,181	(333,181)
Capital Equipment & Renovations	80,001	59,940	71,950	(12,010)	20,491	92,441	(12,440)
Transfers to Reserves	2,081,380	1,561,032	1,561,032	-	520,348	2,081,380	-
Allocations Between Departments	(1,753,596)	(1,315,314)	(1,211,299)	(104,015)	(567,574)	(1,778,873)	25,278
Allocations Within Departments	(1,118,032)	(838,494)	(799,976)	(38,518)	(270,264)	(1,070,240)	(47,792)
Allocations to Capital Program	(1,022,000)	(766,494)	(725,244)	(41,250)	(400,000)	(1,125,244)	103,244
Total Gross Expenditure	32,280,883	24,239,719	22,470,984	1,768,735	8,373,424	30,844,408	1,436,475
Revenue							
Ontario/Canada Grants	(546,203)	(409,644)	(410,968)	1,324	(82,039)	(493,007)	(53,197)
Fees & Service Charges	(3,114,600)	(2,335,842)	(1,633,494)	(702,348)	(702,447)	(2,335,941)	(778,659)
Other Revenue	(836,400)	(629,288)	(720,311)	91,023	(161,995)	(882,306)	45,906
Transfers from Reserves	(800,000)	(649,991)	(1,206,914)	556,923	(12,054)	(1,218,968)	418,968
Total Revenue	(5,297,203)	(4,024,765)	(3,971,687)	(53,078)	(958,535)	(4,930,222)	(366,982)
Net Expenditure/(Revenue) before Indirect Allocation	26,983,680	20,214,954	18,499,297	1,715,657	7,414,890	25,914,187	1,069,493
Indirect Allocation							
Indirect Allocation	3,120,098	2,385,378	2,389,572	(4,194)	817,020	3,206,592	(86,494)
Debt Allocation	19,249,287	13,109,840	13,167,093	(57,253)	6,131,858	19,298,951	(49,664)
Total Indirect Allocation	22,369,385	15,495,218	15,556,665	(61,447)	6,948,878	22,505,543	(136,158)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 49,353,065	\$ 35,710,172	\$ 34,055,962	\$ 1,654,210	\$ 14,363,768	\$ 48,419,730	\$ 933,335

Public Works Levy - Statement of Operations (continued)

Community Impacts & Achievements

The Public Works Levy divisions include Development Services, Transportation Services and Public Works administration. Development Services approves and inspects 380 private sewage systems annually and reviews 625 development planning/municipal servicing applications (both 2012 figures), to ensure alignment with provincial and Regional policies, plans and regulations. Transportation Services maintains over 750 km of roads, 183 bridges and culverts, 295 traffic signals and provides snow removal services for Regional roads. Transportation Services also provides oversight to Niagara Specialized Transit and the Regional Transit Pilot, maintains Regional vehicles and equipment, undertakes transportation studies and strategic planning initiatives and delivers the transportation-related capital program. Public Works administration provides operational, strategic and financial support services for all departmental program areas, including the rate-related water, wastewater and waste management programs.

Key initiatives to support the Council Business Plan include:

- Lean development charge collection review
- Hwy 406 interchange environmental assessment and provincial funding initiative
- Memorandum of understanding to review the planning function in Niagara (role and responsibilities)
- Transportation services operation review
- The future of transit in Niagara
- Gateways and corridor strategy
- Pilot roll-out of development tracking system (i-Darts) to local area municipalities
- Asset management planning exercise

Variance Analysis

Projected at year-end is a favourable position before indirect allocations of \$1,069,493 which is largely attributed to the Transportation division (\$930,532) where favourable variances are expected in areas such as Materials, Supplies & Utilities and Personnel Costs. Favourable positions are also expected for the Regional Transit Pilot (\$136,396) and the Development Services division (\$6,841).

The favourable variance of \$549,946 anticipated in Personnel Costs includes vacancy management initiatives (\$345,000) as well as projected net savings in overtime, standby pay and shift premiums. Savings of \$602,374 in Material, Supplies & Utilities are projected due to a favourable variance anticipated in fuel purchases (\$280,000), vehicle parts and supplies (\$129,000) and a variety of other road maintenance supplies including winter salt and sand (\$154,000) and signal maintenance material (\$52,000). As activities for the transportation program are directly related to the weather, these cost projections will be subject to environmental conditions experienced during the remainder of the year.

Included in the Financial Expenditure line is the implementation of the Industrial Development Charge (DC) grant program approved by Council in 2013. An annual projected cost of \$650,000 has been incorporated in the forecast for DC-related grants, with funding provided from reserve. The Financial Expenditures incorporates \$500,000 in funding for grants to local municipalities for drainage assessment, bike path and storm sewer programs, which are funded from reserve in 2013. A \$180,000 expenditure is forecast for these grants in 2013, therefore a reduction in the budgeted transfer from reserve is also reflected.

A shortfall in Fees & Service Charges of \$778,659 is expected. This can be primarily attributed to a reduction in the amount of signal maintenance and other work requested by the Ministry of Transportation and the local municipalities during the year.

Vacancy Management

Personnel cost savings are driven by vacancy management actions during the first three quarters of 2013. These actions include delaying the posting for several vacancies and the backfill for several positions; cost savings are estimated to be \$345,000.

Water and Wastewater Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 21,104,033	\$ 15,858,290	\$ 15,314,104	\$ 544,186	\$ 5,244,509	\$ 20,558,613	\$ 545,420
Administrative Expenses	550,590	412,677	341,754	70,923	169,664	511,418	39,172
Materials, Supplies & Utilities	13,832,156	10,372,950	9,582,190	790,760	3,859,623	13,441,813	390,343
Repairs & Maintenance	7,787,831	5,840,622	4,958,519	882,103	2,075,300	7,033,819	754,012
Purch. Serv. & Other Operating Exp.	13,691,018	10,271,891	7,824,756	2,447,135	4,430,132	12,254,888	1,436,130
Capital Equipment & Renovations	145,149	108,765	68,220	40,545	84,720	152,940	(7,791)
Transfers to Reserves	39,210,560	29,407,914	29,407,914	-	9,802,646	39,210,560	-
Allocations Between Departments	1,972,798	1,479,681	1,323,478	156,203	622,410	1,945,888	26,910
Allocations Within Departments	941,703	706,257	705,809	448	228,252	934,061	7,642
Allocations to Capital Program	(567,306)	(425,475)	(279,632)	(145,843)	(92,287)	(371,919)	(195,387)
Total Gross Expenditure	98,668,532	74,033,572	69,247,112	4,786,460	26,424,969	95,672,081	2,996,451
Revenue							
Taxation - Rate	(107,667,184)	(80,750,376)	(80,360,514)	(389,862)	(26,624,459)	(106,984,973)	(682,211)
Fees & Service Charges	(1,456,281)	(1,094,924)	(1,007,185)	(87,739)	(325,722)	(1,332,907)	(123,374)
Other Revenue	(27,500)	(20,619)	(37,945)	17,326	(12,648)	(50,593)	23,093
Transfers from Reserves	-	-	(704,349)	704,349	-	(704,349)	704,349
Total Revenue	(109,150,965)	(81,865,919)	(82,117,431)	251,512	(26,962,829)	(109,080,260)	(70,705)
Net Expenditure/(Revenue) before Indirect Allocation	(10,482,433)	(7,832,347)	(12,870,319)	5,037,972	(537,860)	(13,408,179)	2,925,746
Indirect Allocation							
Indirect Allocation	3,201,583	2,401,204	2,149,573	251,631	890,034	3,039,607	161,976
Debt Allocation	7,280,850	5,838,485	5,836,768	1,717	1,442,365	7,279,133	1,717
Total Indirect Allocation	10,482,433	8,239,689	7,986,341	253,348	2,332,399	10,318,740	163,693
Net Expenditure/(Revenue) after Indirect Allocation	\$ -	\$ 407,342	\$ (4,883,978)	\$ 5,291,320	\$ 1,794,539	\$ (3,089,439)	\$ 3,089,439

Water and Wastewater Services - Statement of Operations (continued)

Community Impacts & Achievements

The water division is responsible for the treatment and distribution of approximately 60 billion litres of water per year (2012 amount) through a total of 59 water facilities; including six water treatment plants, and 316 km of watermains. Similarly, the Wastewater division treats 70 billion litres of wastewater per year (2012 amount) across 11 plants and one lagoon; with collection through 123 pump stations and 283 km of wastewater mains. In addition, these divisions are responsible for master service plans, input into water and wastewater approvals, design and construction, biosolids management, laboratory services, utility locates and environmental monitoring and enforcement. Initiatives included in the 2013 departmental work plan include:

- An update to the Region's internal benchmarking initiative
- Undertaking key program reviews in chemical usage reduction, process optimization, treatment process enhancements and staff development opportunities, etc.
- The Water & Wastewater Review
- Regional water supply risk mitigation
- Energy conservation & demand management planning
- Biosolids management optimization and a review of the potential for biogas injection into the natural gas grid
- Children's water festival

Variance Analysis

The projected \$3,089,439 favourable year-end position above for Water & Wastewater services is attributed to a combination of a milder/drier winter which has yielded lower than projected winter maintenance costs, unexpended funds from the provision made annually for emergency repairs to equipment and watermains, and an unexpected downtime of both centrifuges. \$1,284,897 of the projected surplus is expected to be generated in the Water division, while the remaining \$1,804,542 relates to the Wastewater division.

Of the \$2,996,451 projected favourable variance in gross expenditures, Personnel Costs are expected to have a favourable variance of \$545,420 due to vacancy management and reduction in overtime and shift premiums within operations and maintenance. Projected savings of \$754,012 has been reflected in Repairs and Maintenance (R&M), which includes allocations for emergency response to equipment failures and forcemain breaks. While a favourable variance has been projected for these R&M accounts (largely in the Water division), year-end actuals will be contingent on emergency repairs required during the remainder of the year.

The favourable variance of \$1,436,130 that is anticipated in Purchased Services is due to savings in sludge disposal (\$634,000) and contracted services (\$288,000). A favourable balance of \$432,000 is also anticipated in consulting services as several initiatives have been impacted by vacancies in key positions.

Water revenue is expected to be lower than projected due to the milder/wetter summer to date. A year-end projected shortfall of \$682,211 has been estimated at this time (based on an estimated consumption of 57,754 ML).

Vacancy Management

Included within the realized savings in Personnel Costs are vacancy management actions taken during the first three quarters of 2013. These actions include delaying the posting of several vacancies and the backfill of several positions. The resulting cost savings of these actions is estimated to be \$441,665.

Waste Management Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 3,558,200	\$ 2,675,630	\$ 2,347,084	\$ 328,546	\$ 979,603	\$ 3,326,687	\$ 231,513
Administrative Expenses	300,788	225,082	128,541	96,541	105,271	233,812	66,976
Materials, Supplies & Utilities	3,816,890	2,855,651	2,361,856	493,795	885,257	3,247,113	569,777
Repairs & Maintenance	806,077	604,431	642,159	(37,728)	199,309	841,468	(35,391)
Purch. Serv. & Other Operating Exp.	36,735,603	27,468,915	25,322,089	2,146,826	9,165,580	34,487,669	2,247,934
Capital Equipment & Renovations	73,265	54,909	18,185	36,724	31,880	50,065	23,200
Transfers to Reserves	552,483	414,360	414,360	-	138,123	552,483	-
Allocations Between Departments	144,690	108,549	107,241	1,308	36,141	143,382	1,308
Allocations Within Departments	176,329	132,237	94,167	38,070	41,994	136,161	40,168
Allocations to Capital Program	(177,753)	(133,308)	(88,877)	(44,431)	(29,626)	(118,503)	(59,250)
Total Gross Expenditure	45,986,572	34,406,456	31,346,805	3,059,651	11,553,531	42,900,336	3,086,236
Revenue							
Taxation - Rate	(34,951,034)	(26,213,166)	(25,963,749)	(249,417)	(8,987,285)	(34,951,034)	-
Ontario/Canada Grants	(3,376,715)	(2,532,519)	(2,900,500)	367,981	(960,526)	(3,861,026)	484,311
Fees & Service Charges	(3,488,092)	(2,616,039)	(2,455,028)	(161,011)	(833,124)	(3,288,152)	(199,940)
Other Revenue	(9,520,243)	(7,140,114)	(7,261,893)	121,779	(2,030,574)	(9,292,467)	(227,776)
Transfers from Reserves	-	-	(436,344)	436,344	-	(436,344)	436,344
Total Revenue	(51,336,084)	(38,501,838)	(39,017,514)	515,676	(12,811,509)	(51,829,023)	492,939
Net Expenditure/(Revenue) before Indirect Allocation	(5,349,512)	(4,095,382)	(7,670,709)	3,575,327	(1,257,979)	(8,928,688)	3,579,176
Indirect Allocation							
Indirect Allocation	1,107,236	830,466	720,758	109,708	307,772	1,028,530	78,706
Debt Allocation	4,242,276	3,877,296	3,871,428	5,868	364,980	4,236,408	5,868
Total Indirect Allocation	5,349,512	4,707,762	4,592,186	115,576	672,752	5,264,938	84,574
Net Expenditure/(Revenue) after Indirect Allocation	\$ -	\$ 612,380	\$ (3,078,523)	\$ 3,690,903	\$ (585,227)	\$ (3,663,750)	\$ 3,663,750

Waste Management Services - Statement of Operations (continued)

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities (landfill sites, Municipal Hazardous & Special Waste (MHSW) depot and recycling centre), the delivery of curbside waste, recycling and organics collection services and diversion programs, the management of long-term organics processing and disposal contracts, as well as policy development and capital program delivery. In addition to the operation of permanent drop-off depots, special event days are provided for diverting recyclables, electronics, MHSW waste, scrap metal and other materials.

Current WMS initiatives which are continuing into 2013/2014 include:

- Niagara Material Recycling Facility (MRF) analysis and negotiations with Niagara Recycling
- Humberstone Environmental Assessment (EA) landfill capacity expansion and improvements (terms of reference submitted for proposed expansion on May 17, 2013)
- Assessment of alternative diversion and disposal technologies for municipal waste management and biosolids
- Regional/municipal anti-illegal dumping campaign
- Phase two MHSW program review (event days & permanent depot options)
- Reopening of Bridge Street landfill site

Completed 2013 initiatives include:

- Reusable Goods Drop-off at Humberstone landfill site
- Service policy for management of waste electrical and electronic equipment (WEEE)
- Recycling and Green Cart collection service strategy for mixed use properties
- Mattress, boxspring and carpet recycling collection options review
- Battery collection program recommendations
- Special events recycling pilot program for organic material collection at community events

Social marketing and education awards received include two gold awards and one silver award from the Recycling Council of Ontario and a silver award from the Municipal Waste Association. WMS also received a second Ontario Electronic Stewardship program award for outstanding accomplishments in the collection of electronic waste for recycling.

Variance Analysis

The Waste Management year-end projected surplus of \$3,663,750 is primarily attributable to savings in purchased services and materials, as well as an increase in revenue from industry funding.

The projected \$2,247,934 favourable variance in purchased services is primarily due to following items:

- Reductions in the consumer price index, fuel and unit count escalations for the waste/recycling/organics collection contract compared to budget (\$431,000)
- Lower than budgeted tonnage sent to Walker Industries for organics processing (\$295,000) and waste disposal (\$104,700) and a reduction in CPI increase compared to budget
- Lower than anticipated sorting costs for newsprint as existing quality specifications were accepted by end-use market (\$400,000)
- WEEE curbside collection program change (\$254,400) not being implemented as outlined in PW 59-2013
- Timing of the reopening the Bridge Street landfill (\$529,000)

The favourable variance of \$569,777 in materials and supplies is largely due to lower payments to Waterloo and Haldimand under the recycling processing contracts and other third party purchases due to lower recycling market prices compared to budget (\$538,159). Lower than budgeted glass purchases at the Recycling Centre is anticipated (\$70,000).

Although there is a corresponding decrease in Other Revenue (due to market conditions), this revenue shortfall is partially offset by a higher volume of materials processed at the MRF, such as PET plastics. As such, the overall net shortfall in Other Revenue equals \$227,776, which includes the sale of carts, bins and containers. A shortfall of \$219,000 is projected for tipping fee revenue as a result of a reduction in self-hauled waste delivered to Regional landfill/drop-off depot sites. Despite the above, total revenue is projected to be a surplus of \$492,939 at year-end due to Stewardship Ontario/Waste Diversion Organization Blue Box funding for 2013. This funding is \$664,750 higher than budgeted due to the timing of the 2013 funding allocation announcement (December 2012).

Vacancy Management

Included within the realized savings in personnel costs are vacancy management actions taken during the first three quarters of 2013. These actions include delaying the advertisement of vacant positions, delaying the backfill of a position and backfilling a position at a lower cost. The resulting cost savings of these actions is an estimated \$254,151.

Community Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 86,703,598	\$ 65,066,525	\$ 64,374,659	\$ 691,866	\$ 22,121,478	\$ 86,496,137	\$ 207,461
Administrative Expenses	1,164,119	853,176	811,067	42,109	431,183	1,242,250	(78,131)
Materials, Supplies & Utilities	7,273,916	5,198,870	5,566,907	(368,037)	2,208,904	7,775,811	(501,895)
Repairs & Maintenance	976,206	708,979	893,089	(184,110)	281,787	1,174,876	(198,670)
Purch. Serv. & Other Operating Exp.	37,891,212	27,349,391	27,344,745	4,646	12,608,109	39,952,854	(2,061,642)
Social Assistance	98,641,329	73,980,761	68,036,139	5,944,622	23,050,374	91,086,513	7,554,816
Financial Expenditures	32,905	24,756	16,975	7,781	7,833	24,808	8,097
Capital Equipment & Renovations	620,563	457,315	563,669	(106,354)	245,910	809,579	(189,016)
Transfers to Reserves	620,929	466,120	480,117	(13,997.00)	154,809	634,926	(13,997)
Allocations Between Departments	(205,131)	(153,756)	(139,902)	(13,854)	(51,375)	(191,277)	(13,854)
Total Gross Expenditure	233,719,646	173,952,137	167,947,465	6,004,672	61,059,012	229,006,477	4,713,169
Revenue							
Ontario/Canada Grants	(175,641,203)	(131,486,497)	(127,450,885)	(4,035,612)	(44,184,193)	(171,635,078)	(4,006,125)
Fees & Service Charges	(23,003,734)	(17,252,559)	(17,579,842)	327,283	(5,803,948)	(23,383,790)	380,056
Other Revenue	(343,242)	(257,373)	(576,452)	319,079	(44,630)	(621,082)	277,840
Transfers from Reserves	(1,850,524)	(1,387,854)	(1,387,854)	-	1,165,147	(222,707)	(1,627,817)
Total Revenue	(200,838,703)	(150,384,283)	(146,995,033)	(3,389,250)	(48,867,624)	(195,862,657)	(4,976,046)
Net Expenditure/(Revenue) before Indirect Allocation	32,880,943	23,567,854	20,952,432	2,615,422	12,191,388	33,143,820	(262,877)
Indirect Allocation							
Indirect Allocation	6,882,239	5,161,914	4,864,624	297,290	1,913,028	6,777,652	104,587
Debt Allocation	4,384,990	3,750,271	3,819,257	(68,986)	625,037	4,444,294	(59,304)
Total Indirect Allocation	11,267,229	8,912,185	8,683,881	228,304	2,538,065	11,221,946	45,283
Net Expenditure/(Revenue) after Indirect Allocation	\$ 44,148,172	\$ 32,480,039	\$ 29,636,313	\$ 2,843,726	\$ 14,729,453	\$ 44,365,766	\$ (217,594)

Community Impacts & Achievements

Children's Services

- No waitlist for fee subsidy
- Selected to participate on the Ontario Child Care Management System (OCCMS) Provincial Reporting Working Group, to propose strategies and recommend solutions on how the OCCMS can be adapted to better align with provincial reporting requirements under the new child care funding framework
- Successfully completed a Community Integration Leaders Project and received additional funding (\$25,000) from the Ministry of Education/Ministry of Children and Youth Services to continue to work towards the integration of early years services
- Selected for an Innovation Grant to explore "Just in Time" child development information for families of young children which would be delivered via a web site
- Selected to participate in Ministry of Education advisory committee on curriculum development expansion of the Early Learning Framework
- Responded to system pressures for child care operators impacted by Phase 4 of the implementation of full Day Kindergarten through funding of market rates and one time funding for health and safety and equipment

Community Services - Statement of Operations (continued)

Community Impacts & Achievements (continued)

Social Assistance & Employment Opportunities

- As of mid year the Housing Stability Plan helped prevent homelessness for approximately 4,552 households
- The Niagara Prosperity Initiative received the 2013 prosperity and renewal award, as part of the Canadian Urban Institute's Urban Leadership Award program
- The Niagara Prosperity Initiative initiated a second RFP for 2013 and used the remaining 2013 funds. As of May 2013, the Niagara Prosperity Initiative has invested in 218 projects across Niagara, serving over 75,000 individuals
- Successfully applied for additional Local Immigration Partnership funding and received \$168,000
- The Learning, Earning and Parenting program graduated 49 young parents. The program provided parents with a high school diploma, parenting and employment skills and a \$500 bursary towards education costs
- Successfully applied for two additional Newcomers Portal funding grants (\$45,000 and \$27,500)

Senior Services

- Submission of a successful proposal to bring convalescent care beds to Niagara, 54 clients have been served to date
- The Deer Park Village redevelopment project was completed on time and within budget. The grand opening was celebrated on September 13, 2013
- Implemented a new staff scheduling methodology to increase resident to staff consistency, reduce overtime and sick time
- Successfully transitioned to a new physiotherapy model with enhanced front line physiotherapy, provision in line with the MOHLTC Physiotherapy Program revisions
- Facilitated a presentation for the National Seniors Council Secretariat on the Seniors Services, Community Program Gatekeepers Program – as a component of the Secretariat's review of innovative, cost effective programs for seniors
- Continue to work with RRIT: Initiated efficiency studies focused on laundry services, the accounts payable/accounts receivable process and scheduling

Variance Analysis

Community Services is forecasting a year-end deficit of \$262,877, prior to the indirect allocations. Children's Services is anticipating a surplus of \$59,319 while Senior Services is expecting a deficit of \$319,998. Social Assistance and Employment Opportunities will be a net zero after adjusting the draw from reserves, as reserves cannot be used to create an operating surplus. There are minor variances in the areas of support services of \$2,198.

Children's Services has received additional monies above budget from the province and through parent fees; these monies have been used to support purchase of service arrangements with childcare providers and to meet fee subsidy demands. In addition, funds were used to support child care providers, to ensure a stable child care system in Niagara, as operators adjust to the impacts of Phase 4 Full Day Kindergarten.

The deficit in Seniors Services is in the areas of personnel costs, food and nursing supplies due to increased patient acuity impacting demand and overall market increases.

Social Assistance and Employment Opportunities will not require the full draw from reserves, as there is currently a surplus in allowances and benefits as a result of the caseload mix including more singles. The caseload mix has been adjusted in the 2014 budget submission. The draw from reserves has been adjusted to reflect the need for reserve in the division, as policy does not allow for the creation of a surplus through the use of reserve dollars.

Housing, Hostels and Homelessness will not draw on the reserve contribution that was budgeted as a result of one-time monies received from the province.

Vacancy Management

Community Services continues to work with Human Resources to fill vacancies and ensure positions are value added; filling operational needs effectively. At this time, all vacancies are being filled due to the continued volume of work, high needs in our homes and demand for our services.

Public Health - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 31,267,993	\$ 23,507,966	\$ 22,720,101	\$ 787,885	\$ 8,115,559	\$ 30,835,660	\$ 432,333
Administrative Expenses	1,125,682	842,851	871,973	(29,122)	294,016	1,165,989	(40,307)
Materials, Supplies & Utilities	1,253,158	940,428	675,413	265,015	573,957	1,249,370	3,788
Repairs & Maintenance	77,000	57,708	25,342	32,366	61,860	87,202	(10,202)
Purch. Serv. & Other Operating Exp.	2,639,194	1,996,359	1,940,491	55,868	773,998	2,714,489	(75,295)
Capital Equipment & Renovations	202,182	161,593	257,954	(96,361)	81,000	338,954	(136,772)
Allocations Between Departments	(78,366)	(58,788)	(40,897)	(17,891)	(19,578)	(60,475)	(17,891)
Total Gross Expenditure	36,486,843	27,448,137	26,450,377	997,760	9,880,812	36,331,189	155,654
Revenue							
Ontario/Canada Grants	(31,065,520)	(23,369,212)	(22,823,270)	(545,942)	(8,108,445)	(30,931,715)	(133,805)
Fees & Service Charges	(353,000)	(264,735)	(311,082)	46,347	(42,625)	(353,707)	707
Other Revenue	(524,940)	(393,696)	(516,317)	122,621	(164,653)	(680,970)	156,030
Transfers from Reserves	-	-	(213,547)	213,547	-	(213,547)	213,547
Total Revenue	(31,943,460)	(24,027,643)	(23,864,216)	(163,427)	(8,315,723)	(32,179,939)	236,479
Net Expenditure/(Revenue) before Indirect Allocation	4,543,383	3,420,494	2,586,161	834,333	1,565,089	4,151,250	392,133
Indirect Allocation							
Indirect Allocation	4,799,584	3,603,021	3,329,889	273,132	1,330,596	4,660,485	139,099
Debt Allocation	2,155,538	1,283,285	1,271,695	11,590	869,252	2,140,947	14,591
Total Indirect Allocation	6,955,122	4,886,306	4,601,584	284,722	2,199,848	6,801,432	153,690
Net Expenditure/(Revenue) after Indirect Allocation	\$ 11,498,505	\$ 8,306,800	\$ 7,187,745	\$ 1,119,055	\$ 3,764,937	\$ 10,952,682	\$ 545,823

Public Health - Statement of Operations (continued)

Community Impacts & Achievements

Programming Changes

Niagara Region Public Health (NRPH) has developed and implemented two personal services information sites called Niagara Info-ink (for tattoo and piercings) and Niagara Info-beauty (for salons, barber shops and beauty parlors). These new sites complement the long-standing Niagara Info-dine web based information site for restaurants, bars and food establishments.

The Sparking Life Niagara program has developed and distributed 150 activity toolkits to all secondary schools across the region, including 21 alternative education programs. This program integrates physical activity into the classroom, and provides five to ten minute "booster" exercise sessions during class time. Given the success of the initiative, the program is expanding this fall and schools may apply to use large pieces of exercise equipment.

New Funding

NRPH applies for grants every year to extend its services without impacting the levy. New projects funded in 2013 include:

- A Smoking Cessation program in partnership with the Centre of Addiction and Mental Health, the Ministry of Health & Long-Term Care, the Smokers' Helpline and the Ontario Tobacco Research Unit. This program has been tailored to help workers in five Niagara hospitality and manufacturing workplaces reduce their present levels of smoking.
- Researching the impact of injury prevention messages among parents and caregivers. This project is funded in partnership with Public Health Ontario and the Ontario Neurotrauma foundation.
- Evaluating the effectiveness of prevention messages geared to prevent childhood falls (1 - 4 years). This project is funded by the Canadian Institute of Health Research.
- Collaborator on the Creating Access to Screening and Training in the Living Environment (CASTLE) project with other health units and two universities. This project is funded by the Public Health Agency of Canada, for three years. CASTLE's objective is to promote increased participation in cancer screening among low-income housing communities and to help reduce the barriers to access.

Though not directly funded, volunteers are an integral part of public health. To date, 137 volunteers have been recruited to support staff in public health initiatives and have contributed over 2,000 hours of service. This is an excellent way to extend our outreach and build capacity in NRPH's communities.

Variance Analysis

The favourable variance in the Personnel Costs is a result of staff leaves and the time lag to fill those positions. The favourable variance in Materials and Supplies reflects purchase timing and is expected to decrease by year-end. The unfavourable variance in Capital Equipment and Renovations is expected to carry on until year-end and will be offset by favourable variances in other expenditure lines. The Capital Equipment and Renovations expenditures address outer office accommodations as a result of aging infrastructure. The current revenue position, with respect to the Transfers from Reserves, reflect projects that commenced in 2012 and are expected to be completed by year-end.

Vacancy Management

Public Health positions are driven by the requirements of the Health Protection and Promotion Act and community needs. The current vacancy management process allows for Public Health commissioner and CAO oversight and accountability while creating ability to fill positions in a timely manner. The Public Health commissioner has selectively responded to requests for positions, with requests to reconsider contract duration and salary.

Niagara Region Emergency Medical Services (NEMS) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 30,631,405	\$ 23,058,861	\$ 23,017,700	\$ 41,161	\$ 7,979,961	\$ 30,997,661	\$ (366,256)
Administrative Expenses	205,750	161,709	128,862	32,847	77,497	206,359	(609)
Materials, Supplies & Utilities	1,909,750	1,432,197	1,402,301	29,896	442,568	1,844,869	64,881
Repairs & Maintenance	820,500	615,357	498,618	116,739	322,289	820,907	(407)
Purch. Serv. & Other Operating Exp.	1,859,138	1,387,406	1,474,864	(87,458)	374,905	1,849,769	9,369
Capital Equipment & Renovations	206,918	155,169	292,973	(137,804)	283,457	576,430	(369,512)
Transfers to Reserves	1,090,030	817,506	817,506	-	272,524	1,090,030	-
Allocations Between Departments	20,309	15,228	14,365	863	5,081	19,446	863
Total Gross Expenditure	36,743,800	27,643,433	27,647,189	(3,756)	9,758,282	37,405,471	(661,671)
Revenue							
Ontario/Canada Grants	(22,380,386)	(16,784,686)	(16,777,418)	(7,268)	(5,605,336)	(22,382,754)	2,368
Fees & Service Charges	-	-	(2,298)	2,298	(750)	(3,048)	3,048
Other Revenue	(20,000)	(14,994)	(258,676)	243,682	(17,100)	(275,776)	255,776
Transfers from Reserves	-	-	(368,540)	368,540	-	(368,540)	368,540
Total Revenue	(22,400,386)	(16,799,680)	(17,406,932)	607,252	(5,623,186)	(23,030,118)	629,732
Net Expenditure/(Revenue) before Indirect Allocation	14,343,414	10,843,753	10,240,257	603,496	4,135,096	14,375,353	(31,939)
Indirect Allocation							
Indirect Allocation	2,014,711	1,515,758	1,142,604	373,154	554,843	1,697,447	317,264
Debt Allocation	1,031,338	530,843	526,590	4,253	500,495	1,027,085	4,253
Total Indirect Allocation	3,046,049	2,046,601	1,669,194	377,407	1,055,338	2,724,532	321,517
Net Expenditure/(Revenue) after Indirect Allocation	\$ 17,389,463	\$ 12,890,354	\$ 11,909,451	\$ 980,903	\$ 5,190,434	\$ 17,099,885	\$ 289,578

Niagara Region Emergency Medical Services (NEMS) - Statement of Operations (continued)

Community Impacts & Achievements

NEMS 2013 initiatives include:

- Working towards Council's approved number of Advanced Care Paramedics in 2013 through the Niagara College training program
- Working collaboratively with the Niagara Health System to mitigate the impact of health system changes on the service, including weekly meetings
- Utilization of innovative dispatch technology to reduce operating costs for response time performance achievement
- Funding and supporting from the Local Health Integration Network for the Omega project

NEMS 2013 achievements include:

- Successful recertification of all medics in International Trauma Life Support
- Assisted in the transfer of patients from St. Catharines General legacy site to the new St. Catharines hospital
- First place finishes International Trauma Life Support and the Provincial Durham Skills competitions
- Successful installation of air ride suspension for new style ambulances. NEMS continues to investigate and implement new equipment technologies (air ride suspension/stretchers) in an effort to mitigate work related injuries
- Ontario Municipal Benchmarking Initiatives have demonstrated NEMS excellence in succeeding response time performance standards mandated by the Ministry of Health and Long-Term Care (MOHLTC) and Regional Council

Variance Analysis

The unfavourable variance in Personnel Costs is due to increased costs within the land ambulance program related to unplanned up-staffing and overtime. Some of these additional costs are offset by the favourable variance in Other Revenue related to special events, union billings and the first aid / CPR program. The favourable variance related to Materials, Supplies and Utilities is due to savings resulting from the purchase of medical supplies with a group buying agency and better controls over inventory. Capital Equipment and Renovations is projected to be over budget as a result of the planned fleet center leasehold improvements and software purchases; both purchases will be offset by Transfers from Reserves. It is important to note that any year-end surplus within the Ambulance Dispatch program and Offload Nurse Program is returned to the MOHLTC.

Vacancy Management

The service continues to face challenges in maintaining service levels, driven by increased call volumes and off-load delays; this has correlated to numerous missed meal breaks for staff and has resulted in unplanned temporary up-staffing and overtime to address these pressures. Some of these additional costs will be offset by projected revenues related to special events.

Niagara Regional Housing (NRH) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 4,060,166	\$ 3,065,396	\$ 3,058,375	\$ 7,021	\$ 1,001,791	\$ 4,060,166	-
Administrative Expenses	247,224	185,355	143,604	41,751	106,342	249,946	(2,722)
Materials, Supplies & Utilities	5,233,134	3,218,087	2,836,073	382,014	2,245,717	5,081,790	151,344
Repairs & Maintenance	3,761,133	2,643,614	3,271,553	(627,939)	938,347	4,209,900	(448,767)
Purch. Serv. & Other Operating Exp.	4,517,003	3,641,895	3,982,899	(341,004)	930,577	4,913,476	(396,473)
Financial Expenditures	3,161,253	2,370,924	2,248,410	122,514	912,843	3,161,253	-
Capital Equipment & Renovations	30,000	22,491	27,663	(5,172)	2,337	30,000	-
Housing Provider Subsidy & Supplements	28,649,595	21,487,173	20,990,303	496,870	7,637,809	28,628,112	21,483
Transfers to Reserves	415,200	311,400	311,400	-	103,800	415,200	-
Allocations Between Departments	531,832	398,871	400,215	(1,344)	132,961	533,176	(1,344)
Total Gross Expenditure	50,606,540	37,345,206	37,270,495	74,711	14,012,524	51,283,019	(676,479)
Revenue							
Ontario/Canada Grants	(2,364,900)	(1,773,666)	(1,431,705)	(341,961)	(933,195)	(2,364,900)	-
Other Revenue	(22,563,041)	(16,921,692)	(17,065,239)	143,547	(5,677,175)	(22,742,414)	179,373
Transfers from Reserves	(95,000)	(71,253)	(267,945)	196,692	(23,747)	(291,692)	196,692
Total Revenue	(25,022,941)	(18,766,611)	(18,764,889)	(1,722)	(6,634,117)	(25,399,006)	376,065
Net Expenditure/(Revenue) before Indirect Allocation	25,583,599	18,578,595	18,505,606	72,989	7,378,407	25,884,013	(300,414)
Indirect Allocation							
Indirect Allocation	1,128,403	846,303	744,895	101,408	313,699	1,058,594	69,809
Debt Allocation	2,176,265	1,521,697	1,539,252	(17,555)	635,425	2,174,677	1,588
Total Indirect Allocation	3,304,668	2,368,000	2,284,147	83,853	949,124	3,233,271	71,397
Net Expenditure/(Revenue) after Indirect Allocation	\$ 28,888,267	\$ 20,946,595	\$ 20,789,753	\$ 156,842	\$ 8,327,531	\$ 29,117,284	\$ (229,017)

Niagara Regional Housing (NRH) - Statement of Operations (continued)

Community Impacts & Achievements

NRH is responsible for direct ownership and management of a residential rental portfolio; the provision of subsidies to providers and private landlords; the management of the waiting list; and the delivery of any federal/provincial programs.

Owned Units

NRH provides property and asset management services for a portfolio of 2,758 units including 36 apartment buildings and over 900 townhouses/houses. These units are home to over 6,500 people. This portfolio represents 35 per cent of the operating budget for building related expenses – maintenance, taxes, utilities etc.

Rental Subsidy Programs – Housing Providers and Rent Supplement

Through rental subsidy programs with private landlords and non-profit/co-operative housing providers, an additional 5,000 affordable housing units are available. The subsidies which account for 54 per cent of the operating budget are calculated based on legislative requirements.

Affordable Housing Waiting List

NRH maintains the affordable housing waiting list for the Region. Compared to the third quarter in 2012, demand has increased by six per cent. At the end of the third quarter, 6,249 households were waiting for permanent subsidized accommodation, while 169 received housing.

Variance Analysis

NRH is projecting a net year-end deficit position of \$300,414. Key drivers of the deficit include:

Repairs & Maintenance - Increased demand for repairs due to aging assets, as well as increased contract costs has resulted in a forecasted unfavourable variance in Repairs and Maintenance of \$448,767. This is offset partially by \$196,692 in funding encumbered from 2012 reflected in Transfer from Reserves.

Purchased Services and Other Operating Expenses - A recent property reassessment has resulted in an overall property tax increase of 14 per cent over 2012. It is estimated that the year-end property tax account will be overspent by \$340,940. Two exceptional insurance deductibles and new IT licenses have added additional pressure to year-end results on this line.

Materials, Supplies & Utilities - Mild weather conditions have resulted in reduced utility costs. The reduction helped to mitigate some of the pressures noted above through a savings of \$151,344.

Other Revenue - The \$179,373 favourable variance is a result of increased interest of account funds and better than anticipated tenant rent collection.

Vacancy Management

NRH continues to take appropriate vacancy management measures to reduce expenses.

Court Services (POA) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 1,973,344	\$ 1,481,333	\$ 1,453,244	\$ 28,089	\$ 444,652	\$ 1,897,896	\$ 75,448
Administrative Expenses	42,722	32,397	31,858	539	6,319	38,177	4,545
Materials, Supplies & Utilities	84,582	63,983	54,497	9,486	26,719	81,216	3,366
Purch. Serv. & Other Operating Exp.	3,800,547	2,838,051	2,934,468	(96,417)	966,943	3,901,411	(100,864)
Financial Expenditures	120,000	90,000	50,473.00	39,527	59,527	110,000	10,000
Capital Equipment & Renovations	28,344	21,258	9,141	12,117	2,305	11,446	16,898
Transfers to Reserves	1,000,000	750,000	750,000	-	(70,001)	679,999	320,001
Allocations Between Departments	10,958	8,217	7,902	315	2,741	10,643	315
Total Gross Expenditure	7,060,497	5,285,239	5,291,583	(6,344)	1,439,205	6,730,788	329,709
Revenue							
Other Revenue	(8,825,603)	(6,619,202)	(6,375,367)	(243,835)	(2,173,142)	(8,548,509)	(277,094)
Total Revenue	(8,825,603)	(6,619,202)	(6,375,367)	(243,835)	(2,173,142)	(8,548,509)	(277,094)
Net Expenditure/(Revenue) before Indirect Allocation	(1,765,106)	(1,333,963)	(1,083,784)	(250,179)	(733,937)	(1,817,721)	52,615
Indirect Allocation							
Indirect Allocation	737,192	552,885	586,129	(33,244)	204,952	791,081	(53,889)
Debt Allocation	27,914	27,585	26,311	1,274	329	26,640	1,274
Total Indirect Allocation	765,106	580,470	612,440	(31,970)	205,281	817,721	(52,615)
Net Expenditure/(Revenue) after Indirect Allocation	\$ (1,000,000)	\$ (753,493)	\$ (471,344)	\$ (282,149)	\$ (528,656)	\$ (1,000,000)	\$ -

Court Services (POA) - Statement of Operations (continued)

Community Impacts & Achievements

A three-year business plan was developed for Court Services. The plan provides clear focus for court administration as the court strives to be more effective and efficient, and aligns with Council's Business Plan in areas including "Responsive Region" and "Environmentally Responsible".

Due diligence is in process to support the short list of new provincial offences court house properties approved by Council in July of 2013.

The major service indicators continue to fluctuate year-to-date compared to the same time-period in 2012 (January to September), including:

- Customers served - 31 per cent increase
- Charges filed - 17 per cent increase
- Trial requests - 26 per cent decrease
- Early resolution requests - 166 per cent increase (early resolution started in August 2012)
- Courtroom utilization - six per cent decrease*
- Re-openings - 33 per cent increase
- Extensions - 18 per cent decrease
- Payments received - two per cent increase

*Despite year-to-date figures, indicating a six per cent decrease, the projection to year-end indicates similar courtroom utilization hours when compared to 2012 (2,200 hours). 19 additional courts have been scheduled for the fourth quarter of 2013.

At the end of the third quarter, trials were scheduled into May of 2014, an eight-month scheduling delay. The implementation of early resolution in August 2012 has contributed to a decrease in the number of trial requests. A total of 6,916 early resolution meetings were held, with 88 per cent resolved.

Effective April 1, 2013, new performance measures were developed and implemented. The new performance measures include:

- Prosecution – time to provide disclosure, response time for request to excuse witnesses and time for response to charter motions
- Administration – time to upload tickets, time to return telephone calls and time to file appeals to the appeal court
- Collections – response time to voicemail messages, time to review pending suspension list and time for processing payout requests

Variance Analysis

A year-to-date unfavourable variance of \$96,417 has occurred in Purchased Services due to:

- Increased postage costs as more fine and due date notices are mailed
- Increased usage of interpreters, in addition to an increase in interpreter fees in 2013
- Additional enforcement activity to ensure payment of delinquent fines
- An increase in the use of per diem prosecutors to cover staffing shortages

Due to the reduction in revenue received to date, Court Services is forecasting a lower than anticipated contribution to the Provincial Offences Court capital reserve fund for the year (to be approved by the Joint Board of Management at year-end). These reductions are due to the reduced number of charges in the fourth quarter of 2012, which affected revenue in the first three quarters of 2013 for Court Services. Despite these variances, we continue to forecast operating expenditures as budgeted.

Vacancy Management

Third quarter savings in Personnel Costs:

- Collection Clerk position vacant for two weeks - \$3,457 savings
- Court Administration Clerk position vacant for 2.5 months - \$12,173 savings
- Regional Prosecutor position vacant for three months - \$19,448 savings*

* It is anticipated that the Regional Prosecutor position will remain vacant for the fourth quarter resulting in further savings of \$19,448 in 2013

Niagara Regional Police Services & Board (NRPS) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 123,947,192	\$ 91,624,653	\$ 95,026,319	\$ (3,401,666)	\$ 34,030,174	\$ 129,056,493	\$ (5,109,301)
Administrative Expenses	1,692,475	1,269,349	932,896	336,453	624,579	1,557,475	135,000
Materials, Supplies & Utilities	5,002,274	3,762,963	3,584,609	178,354	1,367,666	4,952,275	49,999
Repairs & Maintenance	2,184,200	1,638,149	1,400,976	237,173	783,224	2,184,200	-
Purch. Serv. & Other Operating Exp.	3,106,145	2,329,609	1,977,556	352,053	1,113,589	3,091,145	15,000
Financial Expenditures	4,000	3,000	3,529.00	(529)	(45,405)	(41,876)	45,876
Capital Equipment & Renovations	542,800	407,100	91,507	315,593	321,293	412,800	130,000
Transfers to Reserves	4,749,664	4,749,664	4,749,664	-	(300,000)	4,449,664	300,000
Allocations Between Departments	(1,084,930)	(813,699)	(767,823)	(45,876)	(271,231)	(1,039,054)	(45,876)
Total Gross Expenditure	140,143,820	104,970,788	106,999,233	(2,028,445)	37,623,889	144,623,122	(4,479,302)
Revenue							
Ontario/Canada Grants	(5,152,823)	(3,864,612)	(3,947,217)	82,605	(1,285,606)	(5,232,823)	80,000
Fees & Service Charges	(6,538,767)	(4,904,075)	(5,431,371)	527,296	(1,732,396)	(7,163,767)	625,000
Other Revenue	(1,750,946)	(1,313,460)	(1,519,487)	206,027	(287,459)	(1,806,946)	56,000
Transfers from Reserves	(575,000)	(575,000)	(575,000)	-	(300,000)	(875,000)	300,000
Total Revenue	(14,017,536)	(10,657,147)	(11,473,075)	815,928	(3,605,461)	(15,078,536)	1,061,000
Net Expenditure/(Revenue) before Indirect Allocation	126,126,284	94,313,641	95,526,158	(1,212,517)	34,018,428	129,544,586	(3,418,302)
Indirect Allocation							
Indirect Allocation	5,251,852	3,938,776	4,479,016	(540,240)	1,460,160	5,939,176	(687,324)
Debt Allocation	6,096,071	3,540,015	3,539,868	147	2,511,440	6,051,308	44,763
Total Indirect Allocation	11,347,923	7,478,791	8,018,884	(540,093)	3,971,600	11,990,484	(642,561)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 137,474,207	\$ 101,792,432	\$ 103,545,042	\$ (1,752,610)	\$ 37,990,028	\$ 141,535,070	\$ (4,060,863)

Niagara Regional Police Services & Board (NRPS) - Statement of Operations (continued)**Community Impacts & Achievements**

Full details are available in the Police Service Board (PSB) report received by the Board on October 24, 2013. A copy of the report has been submitted to the Region.

The year to date actuals presented in the PSB report show minor variances from the Regional information. This is a result of Regional transactions posted subsequent to the NRPS required quarter-end close.

Variance Analysis

At the PSB meeting held October 24, 2013, the Board received the financial variance and year-end forecast for the September 30, 2013 quarter-end. The Board approved a transfer from the Police Contingency Reserve in the amount of \$300,000, a reduction in the transfer to the Vehicle and Equipment Reserve from \$1,600,000 to \$1,300,000, and the redirection of \$300,000 from the Vehicle Project back to the Police Vehicle and Equipment Replacement Reserve. These recommendations have not been forwarded to Council for approval as funding sources for deficits are determined at year-end. In addition, the Board approved the recommendation to formally notify the Region of the need to provide for the forecasted net deficit of \$3.4 million.

As previously reported on May 29, 2013, the NRPS received the arbitrated award for the Niagara Region Police Association's Uniform and Civilian Collective Agreements January 1, 2012 to December 31, 2012. The terms of the award and the subsequent settlement of the 2013 to 2015 collective agreements are expected to have a \$5.7 million impact on the NRPS 2013 operating results. Since the decision, the NRPS has been looking for ways to mitigate the shortfall. As of September 30, 2013 the NRPS is recognizing \$2.3 million of savings and forecasting a \$3.4 million net deficit before indirect allocations.

Economic Development - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	\$ 640,774	\$ 480,749	\$ 400,341	\$ 80,408	\$ 118,547	\$ 518,888	\$ 121,886
Administrative Expenses	60,000	44,973	25,844	19,129	34,156	60,000	-
Materials, Supplies & Utilities	13,000	9,747	9,784	(37)	3,216	13,000	-
Repairs & Maintenance	-	-	939	(939)	-	939	(939)
Purch. Serv. & Other Operating Exp.	1,031,868	773,889	483,023	290,866	535,000	1,018,023	13,845
Financial Expenditures	178,000	133,500	74,764.00	58,736	103,236	178,000	-
Allocations Between Departments	3,085	2,313	3,593	(1,280)	772	4,365	(1,280)
Total Gross Expenditure	1,926,727	1,445,171	998,288	446,883	794,927	1,793,215	133,512
Revenue							
Transfers from Reserves	(150,000)	(150,000)	(150,000)	-	-	(150,000)	-
Total Revenue	(150,000)	(150,000)	(150,000)	-	-	(150,000)	-
Net Expenditure/(Revenue) before Indirect Allocation	1,776,727	1,295,171	848,288	446,883	794,927	1,643,215	133,512
Indirect Allocation							
Indirect Allocation	191,651	143,731	152,947	(9,216)	53,288	206,235	(14,584)
Debt Allocation	137,209	74,768	68,785	5,983	62,219	131,004	6,205
Total Indirect Allocation	328,860	218,499	221,732	(3,233)	115,507	337,239	(8,379)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 2,105,587	\$ 1,513,670	\$ 1,070,020	\$ 443,650	\$ 910,434	\$ 1,980,454	\$ 125,133

Community Impacts & Achievements

The Niagara Site Finder tool was launched in September 2013. This state-of-the-art GIS-enabled mapping system allows developers and site selectors to find available industrial and commercial properties in Niagara, in real time, and allows real estate professionals, municipalities and property owners to market their properties to a global audience.

Variance Analysis

Personnel Costs - The planned Expeditor position is currently vacant. This function is currently held by a contracted specialist who is defining the role, working closely with businesses and municipalities, and developing a comprehensive Gateway economic zone marketing plan. This position will be advertised late in Q4. A management position has been vacant since September 15 and is currently under recruitment. Replacement staffing should be complete by December 2013. These vacancies will result in a favorable variance for this budget line.

Purchased Services & Other Operating Expenses - The year-to-date favourable variance of \$290,866 is due to the timing of contracted work. It is anticipated that the majority of the budget will be used by year-end.

Financial Expenditures - A grant to Brock University for the "This is My Niagara" project has been cancelled at the request of the recipient. This may be replaced by support for other partnerships with the University and has been forecasted accordingly. Due to uncertainties surrounding grant requests received to date, the forecast for Financial Expenditures has been prepared by management using the information available at the time of writing this booklet.

Vacancy Management

Two positions (Expeditor and Business Attraction Manager) are currently vacant. The Expeditor position will continue to be filled by a contracted specialist until the end of Q4 2013. This vacancy has allowed Economic Development to verify the demand for this function and establish best practices with the help of a specialist. Recruitment will commence in November 2013. Recruitment for the Business Attraction Manager position is underway and is expected to be filled in December 2013.

Special Initiatives/Joint Initiatives - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Financial Expenditures	\$ 245,000	\$ 185,000	\$ 170,000	\$ 15,000	\$ 60,000	\$ 230,000	\$ 15,000
Transfers to Reserves	796,750	796,750	796,750	-	-	796,750	-
Total Gross Expenditure	1,041,750	981,750	966,750	15,000	60,000	1,026,750	15,000
Revenue							
Transfers from Reserves	(100,000)	(100,000)	(100,000)	-	-	(100,000)	-
Total Revenue	(100,000)	(100,000)	(100,000)	-	-	(100,000)	-
Net Expenditure/(Revenue)	\$ 941,750	\$ 881,750	\$ 866,750	\$ 15,000	\$ 60,000	\$ 926,750	\$ 15,000

Community Impacts & Achievements

In 2012, the Region contributed \$15,370,000 towards the Cancer Centre in the Niagara Health System complex, located in St. Catharines. The contribution, which was originally expected to occur at a rate of \$1 million per year until 2040, was fully paid in 2012 at the present value amount (CSD 146-2011). The early payment amount was internally financed by running a deficit in Niagara Region's operating fund, to be replenished through the levy in future years.

Included in Financial Expenditures is \$60,000 related to Council's youth retention strategy, \$100,000 for the 1812 Legacy Council to be funded from the contingency reserve and \$70,000 for the Pan Am Games.

Variance Analysis

\$85,000 in budget funds were earmarked for an annual contribution to the Pan Am Games, however only \$70,000 is anticipated to be required annually until 2015. This results in a projected surplus of \$15,000 for 2013.

Niagara Peninsula Conservation Authority (NPCA) Grant - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Financial Expenditures	\$ 7,046,729	\$ 7,046,729	\$ 7,046,729	\$ -	\$ -	\$ 7,046,729	\$ -
Total Gross Expenditure	7,046,729	7,046,729	7,046,729	-	-	7,046,729	-
Revenue							
Other Revenue	(102,708)	(77,031)	(48,866)	(28,165)	(58,135)	(107,001)	4,293
Transfers from Reserves	(300,000)	-	-	-	(300,000)	(300,000)	-
Total Revenue	(402,708)	(77,031)	(48,866)	(28,165)	(358,135)	(407,001)	4,293
Net Expenditure/(Revenue) before Indirect Allocation	6,644,021	6,969,698	6,997,863	(28,165)	(358,135)	6,639,728	4,293
Indirect Allocation							
Indirect Allocation	102,708	77,031	78,448	(1,417)	28,553	107,001	(4,293)
Total Indirect Allocation	102,708	77,031	78,448	(1,417)	28,553	107,001	(4,293)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 6,746,729	\$ 7,046,729	\$ 7,076,311	\$ (29,582)	\$ (329,582)	\$ 6,746,729	\$ -

Community Impacts & Achievements

NPCA is a separate corporation that receives funding from the Niagara Region. The above summary shows the grant that the Niagara Region provides the NPCA and not their operating results.

Variance Analysis

Year-to-date NPCA has received 100 per cent of their annual funding as planned.

In 2013, NPCA requested \$300,000 in funding for water related activities and this was provided through the water reserves.

Reserve Summary

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Sept)	Year to Date Capital Transfers	Balances at September 30, 2013	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2013
NRPS LTA Financing	\$ -	\$ 912,332	-	\$ 912,332	\$ -	\$ -	\$ 912,332
Ambulance Communication	1,699,293	(96,000)	-	1,603,293	-	-	1,603,293
Chemical, Biological, Radiological, Nuclear (CBRN)							
Emergency Response Team	261,803	36,196	-	299,999	12,740	-	312,739
Ambulance Replacement	387,123	769,077	-	1,156,200	256,365	-	1,412,565
Niagara Regional Housing	9,437,690	-	-	9,437,690	-	-	9,437,690
Fleet Equipment Replacement	6,158,929	1,270,035	(4,136,865)	3,292,100	423,345	-	3,715,445
Police Vehicle and Equipment Replacement	192,591	1,600,000	(1,600,000)	192,591	(300,000)	300,000	192,591
Welland Canal Crossings	141,695	-	-	141,695	-	-	141,695
NRH Owned Units	1,978,300	262,647	(465,681)	1,773,266	87,553	-	1,860,819
Corporate Employee Recognition Team (CERT)	369,209	(31,363)	-	337,826	(10,467)	-	327,359
PW Field Admin. Equip. Replacement	4,752	74,997	-	79,749	25,003	(100,000)	4,752
Senior Capital	2,422,042	296,034	(800,000)	1,918,076	98,583	-	2,016,659
Public Health	227,742	-	-	227,742	-	-	227,742
Social Assistance	8,489,459	(1,387,854)	-	7,101,605	1,165,147	-	8,266,752
Childrens Services	700,341	-	-	700,341	-	-	700,341
NRH Rent Supplements	420,425	(22,500)	-	397,925	(7,500)	-	390,425
Police Contingency	486,029	-	-	486,029	(300,000)	-	186,029
Police Services Board Contingency	60,154	-	-	60,154	-	-	60,154
Smart Growth	1,684,554	(57,458)	-	1,627,096	(19,457)	-	1,607,639
Fire Co-ordinator	102,162	(17,767)	-	84,395	3,419	-	87,814
POA Facility Renewal	2,212,565	750,000	-	2,962,565	(70,001)	-	2,892,564
Police Capital Levy	1,186,930	1,100,000	(944,000)	1,342,930	-	(150,000)	1,192,930
General Capital Levy	5,825,007	9,351,851	(8,421,000)	6,755,858	10,766,088	(3,638,530)	13,883,416
Public Health Vehicles & Equipment	366,040	-	-	366,040	-	-	366,040
Specialized Transit Equipment	286,195	216,000	-	502,195	72,000	-	574,195
Total Department/Program Specific Reserves	45,099,032	16,028,207	(16,367,646)	43,759,693	12,202,818	(3,688,630)	62,373,981

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Reserve Summary (continued)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Sept)	Year to Date Capital Transfers	Balances at September 30, 2013	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2013
Police Accumulated Sick Leave	4,276,341	(575,000)	-	3,701,341	-	-	3,701,341
Future Benefit Costs	9,147,694	-	-	9,147,694	-	-	9,147,694
WSIB	14,087,980	-	-	14,087,980	-	-	14,087,980
Accumulated Sick Leave	2,759,434	(250,000)	-	2,509,434	-	-	2,509,434
NRH Employee future benefits	803,974	-	-	803,974	-	-	803,974
Police Future Benefit Cost	2,028,070	912,332	-	2,940,402	-	-	2,940,402
Police WSIB	2,444,590	225,000	-	2,669,590	-	-	2,669,590
Sub-total Employee Benefit Reserves**	35,548,082	312,332	-	35,860,414	-	-	35,860,414
Investment Income Stabilization	1,561,294	-	-	1,561,294	(400,000)	-	1,161,294
Tax Write off Stabilization	5,000,000	-	-	5,000,000	-	-	5,000,000
Self Insurance	2,496,184	413,663	-	2,911,847	(508,663)	-	2,403,184
Contingency	8,837,428	(321,136)	-	8,516,293	(182,045)	-	8,334,248
Improvement Initiatives	633,705	(11,996)	-	621,709	-	-	621,709
Taxpayer Relief	3,449,900	(1,725,000)	-	1,724,900	-	-	1,724,900
Total Corporate Stabilization Reserves	57,528,694	(1,332,137)	-	56,196,457	(1,090,708)	-	55,105,749

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

** An actuarial evaluation completed in October 2012 has forecasted employee future benefit liabilities (including vacation and lieu liabilities) to December 31, 2013 of \$91,396,267 (Reserves = \$35,860,414).

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Reserve Summary (continued)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Sept)	Year to Date Capital Transfers	Balances at September 30, 2013	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2013
Health Unit Wallington	44,778	-	-	44,778	-	-	44,778
Total Regional Donation Reserves	44,778	-	-	44,778	-	-	44,778
FCM Reserve	350,000	-	-	350,000	-	-	350,000
Circle Route Initiatives	1,482,681	-	-	1,482,681	-	-	1,482,681
Police Ontario Police Video Training Alliance	31,250	-	-	31,250	-	-	31,250
Encumbrance	2,915,852	(2,854,917)	-	60,935	(60,935)	-	-
Hospital Contribution	(14,076,200)	304,083	-	(13,772,117)	-	-	(13,772,117)
Land Ambulance Severance	4,681,333	-	-	4,681,333	-	-	4,681,333
Total Regional Commitments Reserves	(4,616,084)	(2,660,834)	-	(7,166,918)	(60,936)	-	(7,226,853)
Sewage Operations	56,488,237	14,934,107	(24,630,831)	46,791,513	5,207,440	(4,220,000)	47,778,953
Water Operations	73,250,219	14,272,939	(14,646,316)	72,876,842	4,759,325	(100,000)	77,536,166
Waste Management	15,295,994	395,213	(2,277,000)	13,414,207	189,064	(905,000)	12,698,271
Total Rate Supported Reserves	145,034,449	29,602,269	(41,664,147)	133,082,662	10,165,829	(5,225,000)	138,013,391
Total (Excluding Deferred Revenues)	\$ 243,091,768	\$ 40,747,496	\$ (57,921,693)	\$ 225,917,671	\$ 21,207,004	\$ (8,813,630)	\$ 238,311,045

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Deferred Revenues (Development Charges & Gas Tax Reserve Funds)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Sept)	Year to Date Capital Transfers	Balances at September 30, 2013	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Forecast Balance at December 31, 2013
Development Charges-General Government	\$ 421,775	\$ 90,099	\$ -	\$ 511,874	\$ 49,221	\$ -	\$ 561,095
Development Charges-Police Services	130,431	415,742	-	546,174	144,395	-	690,569
Development Charges-Roads	8,931,300	8,003,653	(59,935)	16,875,017	3,047,289	(15,301,456)	4,620,850
Development Charges-Sewer	10,313,642	4,848,804	-	15,162,446	1,870,960	(8,948,663)	8,084,742
Development Charges-Water	11,812,061	1,496,071	-	13,308,132	659,525	(1,204,591)	12,763,066
Development Charges-Emergency Medical	143,765	75,481	-	219,246	43,429	-	262,676
Federal Gas Tax	11,162,071	6,549,450	(5,452,137)	12,259,384	6,664,650	(17,302,244)	1,621,790
Total	\$ 42,916,046	\$ 21,479,300	\$ (6,612,072)	\$ 58,882,273	\$ 12,479,469	\$ (42,766,966)	\$ 28,604,787

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

Development Charge Revenues

Gross Development Charge Revenues
Less: Discretionary exemptions (Forgone Revenue)
Net Development Charges Revenues *

2012 Actuals	2013 Jan - Sept
22,864,242	24,429,302
(11,032,574) 48.3%	(7,101,260) 29.1%
<u>11,831,668 51.7%</u>	<u>17,328,042 70.9%</u>

* Development charge revenues are deposited to the reserve funds above.

Operating Reserve Transfer Reconciliation

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e. development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Council approved net operating transfers to reserves	\$	65,757,622
Less: Deferred revenue type reserve transfers		(704,954)
Total planned net operating transfers to reserves		65,052,668

Additional operating reserve transfers to/(from) reserves:

Senior Capital Reserve	\$	210,669	
General Capital Levy Reserve		15,405	
General Capital Levy Reserve		13,065	
Senior Capital Reserve		(1,408)	
Encumbrances Reserve		(2,915,852)	
Fire Co-ordinator Reserve		(28,000)	
Ambulance Communication Reserve		(96,000)	
Improvement Initiatives Reserve		(416,996)	
Contingency Reserve		(471,136)	(3,690,253)

Forecasted operating transfers to/(from) reserves (to be approved in the year-end transfer report):

Police Vehicle and Equipment Replacement Reserve		(300,000)	
Police Contingency		(300,000)	
General Capital Levy Reserve		(253,686)	
POA Facility Reserve		(320,001)	
General Capital Levy Reserve		320,000	
Social Assistance Reserve		1,627,817	
Contingency Reserve		(182,045)	592,085
Forecasted net operating transfers to reserves	\$	61,954,500	
Year to date net operating reserve transfers from page 37		40,747,496	
Net operating reserve transfers forecast from page 37		21,207,004	
	\$	61,954,500	

Per diem funding increase related to Deer Park Villa construction

General capital levy - Retroactive funding for construction costs and beds - Deerpark Villa

Proceeds on surplus properties goes to general capital levy reserve

Home funding based on actuals provided by ministry - Amount represents difference between initial budget and funding actually received

2012 Encumbrances established in accordance with Council report DF86-179 (CSD 23-2013)

Fire Co-ordinator personnel accountability equipment (CSD 86-2013)

Ambulance communication first watch and tritech software licenses (CSD 82-2013)

Allocation of funding source as directed by Regional Council

Industrial development charge grants (By-law 09-2013) - RDCPTF 14-2012

Initiative to offset forecasted deficit - Niagara Police Services Board Meeting (Board Report Number 203-2013)

Approved transfer from police contingency (Board Report Number 203-2013)

Reduction to offset variances on Niagara Regional Housing debt

A shortfall of revenue available for the POA capital reserve fund is due to a significant decrease in revenue received year to date

Return of anticipated unused funding for grant program for LAMs (fully funded from reserve in 2013 budget)

Reduction in the draws from reserves originally expected in the budget due to lower levels of expected caseloads for homelessness/SAEO

Forecasted industrial development charge grants

Capital Reserve Transfer Reconciliation

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a reserve fund from an outside source (i.e. development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Uninitiated 2012 Capital Budget Items (Capital Commitments)		
at Dec. 31, 2012		\$ 2,730,000 *
2013 Council Approved Capital Budget	\$ 96,102,236	
Less: Deferred Revenues type Reserve Fund Transfers	<u>(25,284,000)</u>	70,818,236
Total Planned Capital Reserve Transfers		73,548,236
Unused Capital Reserve Funding Transferred back to Reserve per CSD 46-2013:		
Emergency Response Team	(200,000)	
General Capital Levy - Public Health	(200,000)	
General Capital Levy - Emergency Capital Levy	(1,000,000)	
Police Equipment Replacement	(237,136)	
NRHM Owned Units	(1,025)	
Sewage Operations Capital Works	(979,158)	
Water Operations Capital Works	<u>(3,895,664)</u>	(6,513,013)
Redirected funding from Capital Project (PO1310):		
Transfer from Police Vehicle Project back to the Police Vehicle and Equipment Replacement Reserve (Board Report Number 278-2013)		<u>(300,000)</u>
Total Forecasted Capital Reserve Transfers		\$ 66,735,223
Year to Date Capital Transfers (excluding deferred revenues) from Page 37		57,921,693
Capital Commitments (excluding deferred revenues) from Page 37		8,813,530
		<u>\$ 66,735,223</u>

*Opening balance of 2012 year end Capital Commitments has been revised from the December 31, 2012 year-end financial update.

Capital Summary

The Corporate Services department develops the Capital Affordability Strategy, the Capital Financing Strategy and Capital Budget guidelines in co-ordination with department and board input and in alignment with Council objectives and corporate policies. The Corporate Services department is responsible for the following:

- preparing the consolidated capital budget and forecast based on the requests of departments and boards
- co-ordinating capital initiations, financing, close out approvals and reporting
- supporting tangible capital asset accounting in accordance with the Capital Asset Management Policy
- reporting on the consolidated activity of the capital program

The capital budget represents priority projects as determined by the departments and boards and approved by Council. Following capital budget approval, projects are initiated based on department requirements and timing to complete projects. Project managers within departments and boards administer the projects and maintain the related tangible capital asset information. Project managers are accountable for monitoring the capital projects within the capital program and taking corrective action, when necessary, including both reporting on significant variances as well as taking part in the capital close out process.

Capital Project Summary

Illustrated below is the \$902.2 million capital budget managed by the Niagara Region, representing 820 projects, total capital spending to date of \$434.8 million and budget remaining of \$467.4 million. This chart represents, in aggregate, all currently active and uninitiated projects managed by the Niagara Region.

Capital project detail for 70 projects with remaining budgets greater than \$1 million is discussed on subsequent pages. There are 750 various department projects with remaining budgets less than \$1 million. Spending on these projects to date represents 73 per cent of the capital budget on these projects.

Departments and Boards	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows (*)	
						2013	Beyond 2013
Projects with remaining budgets >\$1M							
Corporate Services	23,840,000	0	23,840,000	327,441	23,512,559	863,000	22,649,559
Niagara Regional Housing	13,405,975	0	13,405,975	6,194,888	7,211,087	5,870,490	1,340,597
Niagara Regional Police Service	104,226,877	0	104,226,877	8,962,296	95,264,581	5,413,270	89,851,311
Public Health	3,651,979	0	3,651,979	622,314	3,029,665	1,290,314	1,739,351
Public Works - Levy	149,149,539	2,405,731	151,555,270	33,469,149	118,086,121	17,649,788	99,934,940
Waste Management	3,745,000	360,000	4,105,000	1,281,883	2,823,117	1,267,808	1,555,309
Wastewater	75,878,074	2,344,875	78,222,949	21,512,225	56,710,724	8,528,025	43,502,699
Water Works	56,675,487	987,600	57,663,087	22,700,112	34,962,975	15,055,761	19,907,212
	430,572,931	6,098,206	436,671,137	95,070,308	341,600,829	55,938,456	280,480,978
Projects with remaining budgets <\$1M	457,112,299	8,423,802	465,536,101	339,699,336	125,836,765	7,124,734	111,977,068
Grand Total	887,685,230	14,522,008	902,207,238	434,769,644	467,437,594	63,063,190	392,458,046

* Per CSD 107-2013 some projects were approved for budget reductions or project closures subsequent to Sep 30, 2013. Forecasted cashflows reflect these budget reductions and project closures.

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Capital Project Detail

In addition to the capital project summary, a detailed analysis of capital projects with budgets remaining greater than \$1 million is presented below. There are a total of 70 projects totaling \$430.6 million of approved capital budget. Project spending to date on these projects amounts to \$95.1 million, representing 22.1 per cent of the approved capital budget on these projects.

Estimated year of completion has been provided by project managers within their respective departments. The Niagara Regional Police Service (NRPS) Long Term Accommodations (LTA) project is included in this analysis. Excluding the NRPS LTA project, spending for those projects with budgets remaining greater than \$1 million as a percentage of their overall budget is 25 per cent.

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows		Est. Year of Completion
						2013	Beyond 2013	
Corporate Services								
Construction EMS Bldgs	2,500,000	0	2,500,000	37,547	2,462,453	250,000	2,212,453	2014
Council Chambers Renovations	2,000,000	0	2,000,000	242,202	1,757,798	500,000	1,257,798	2014
IT Server Building	3,400,000	0	3,400,000	697	3,399,303	0	3,399,303	2015
Public Health Facilities	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	2016
Financial Management System (ERP)	12,940,000	0	12,940,000	46,995	12,893,005	113,000	12,780,005	2016
	23,840,000	0	23,840,000	327,441	23,512,559	863,000	22,649,559	
Niagara Regional Housing								
Building Capital	1,439,733	0	1,439,733	382,721	1,057,012	913,039	143,973	2014
Fitch Street	9,982,623	0	9,982,623	5,185,615	4,797,008	3,798,746	998,262	2014
Units Capital	1,983,619	0	1,983,619	626,552	1,357,067	1,158,705	198,362	2014
	13,405,975	0	13,405,975	6,194,888	7,211,087	5,870,490	1,340,597	
Niagara Regional Police Service								
Communications Unit Back-up	2,250,000	0	2,250,000	0	2,250,000	0	2,250,000	2015
Long-term Accommodations - HQ/Admin	83,076,000	0	83,076,000	8,378,917	74,697,083	5,286,070	69,411,013	2015
NRPS - IT Continuity Plan	1,500,000	0	1,500,000	91,584	1,408,416	127,200	1,281,216	2015
Radio/Data System Infrastructure and Equipment	2,400,877	0	2,400,877	491,795	1,909,082	0	1,909,082	2015
Voice Radio System	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	2015
	104,226,877	0	104,226,877	8,962,296	95,264,581	5,413,270	89,851,311	
Public Health								
2012 - Ambulance & Equipment Replacement	1,565,000	0	1,565,000	274,686	1,290,314	1,290,314	0	2013
Ambulance & Equipment Replacement	2,086,979	0	2,086,979	347,628	1,739,351	0	1,739,351	2014
	3,651,979	0	3,651,979	622,314	3,029,665	1,290,314	1,739,351	

Capital Project Detail (cont'd)

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows		Est. Year of Completion
						2013	Beyond 2013	
Public Works - Levy								
Construct New Hwy 406 Interchange at First & Third, SC	4,700,000	10,000	4,710,000	634,576	4,075,424	320,000	3,755,424	2018
Embankment Stabilization RR 14 (Canboro Rd) at Warner	2,400,000	0	2,400,000	500,116	1,899,884	99,939	1,799,945	2015
Intersection RR 81 (St. Paul St) at Vansickle Rd / First St	2,200,007	0	2,200,007	228,516	1,971,491	937,931	1,033,560	2016
Lakeshore Rd, from Geneva St to Bradmon Dr	6,774,718	0	6,774,718	4,017,249	2,757,469	2,000,000	757,469	2013
Niagara St, Scott St to Vine St	3,473,324	0	3,473,324	770,375	2,702,949	2,240,790	462,159	2014
Niagara Stone Rd at Concession 6	2,400,000	0	2,400,000	274,278	2,125,722	473,022	1,652,700	2014
Old Hwy 20, Pelham St to Haist St	1,260,000	0	1,260,000	14,979	1,245,021	1,199,255	45,766	2013
Rds Rehab - Roads Resurfacing Program Ph 2	2,170,000	0	2,170,000	1,296	2,168,704	1,536,827	631,877	2014
Rds Rehab-Canborough Rd from Townline to RR 20	5,400,000	0	5,400,000	0	5,400,000	1,000,000	4,400,000	2014
Reconst RR 82 (Stanley Ave), Whirlpool Rd to Thorold Stone Rd - Phase 2	5,053,000	0	5,053,000	194,092	4,858,908	1,976,673	2,882,235	2015
Reconst RR 77 (Welland Ave), Niagara St to GEW	4,809,049	0	4,809,049	3,694,112	1,114,937	20,000	593,544	2013 *
Reconstruction RR 82 (Stanley Ave), Whirlpool Rd to Hwy 406	7,789,723	0	7,789,723	3,386,410	4,403,313	1,791,330	2,611,983	2015
Reconstruction RR 49 (McLeod Rd), Montrose Rd to Stanley Ave, NF	9,525,883	0	9,525,883	38,159	9,487,724	1,000,000	8,487,724	2015
Reconstruction RR 57 (Thorold Stone Rd) east of Stanley Ave	6,500,000	0	6,500,000	536,604	5,963,396	243,536	5,719,860	2015
Rehab RR 5 (Killaly St), King St to Steele St	5,412,295	0	5,412,295	193,405	5,218,890	710,485	4,508,405	2014
Replacement of Burgoyne Bridge	63,569,000	230,000	63,829,000	3,765,363	60,063,617	1,000,000	59,063,617	2017
Roads Resurfacing Program	5,467,334	502,648	5,969,982	4,876,605	1,093,377	700,000	393,377	2014
Widening RR 77 (Fourth Ave), Vansickle Rd to First St	10,215,206	1,663,083	11,878,289	10,342,994	1,535,295	400,000	1,135,295	2013
	149,149,539	2,405,731	151,555,270	33,469,149	118,086,121	17,649,788	99,934,940	
Waste Management								
2011 Green Retrofit Project, Recycling Centre	1,455,000	0	1,455,000	0	1,455,000	0	1,455,000	2015
Landfill Gas Coll System, Humberstone LF	2,290,000	360,000	2,650,000	1,261,863	1,388,117	1,267,808	100,309	2013
	3,745,000	360,000	4,105,000	1,261,863	2,823,117	1,267,808	1,565,309	
Wastewater								
2012 Pump Station Improvement Prg	1,717,449	0	1,717,449	0	1,717,449	50,000	1,667,449	2015
Anger Ave WWTP Upgrade Ph 2	1,500,000	0	1,500,000	12,651	1,487,349	237,349	1,250,000	2014
Anger Ave WWTP Upgrades	10,000,000	0	10,000,000	8,306,099	1,693,901	0	813,901	2014 *
Chippewa Sewer Flooding - CSO Tank Construction	155,125	2,344,875	2,500,000	169	2,499,831	150,000	2,349,831	2016
Crystal Beach WWTP Upgrade Ph 2	8,000,000	0	8,000,000	4,284,906	3,715,094	215,094	1,000,000	2014 *
Dominion Road Pump Station Upgrade	7,670,000	0	7,670,000	5,130,009	2,539,991	1,475,997	1,063,994	2014
Kalar Rd Pump Station Upgrade	2,500,000	0	2,500,000	256,329	2,243,671	1,245,138	998,533	2014
Misc Prgm-Biogas Utilization	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	2015
Murray Street Sewer Rehab	2,230,500	0	2,230,500	1,203,387	1,027,113	500,000	527,113	2014

* Per CSD 107-2013 some projects were approved for budget reductions subsequent to Sep 30, 2013. Forecasted cashflows reflect these reductions.

Capital Project Detail (cont'd)

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows		Est. Year of Completion
						2013	Beyond 2013	
Wastewater continued								
NOTL WWTP Plant Design	2,000,000	0	2,000,000	204,699	1,795,301	437,222	1,358,079	2014
Port Weller WWTP - bar screen and alum tank upgrade	2,725,000	0	2,725,000	513,445	2,211,555	444,926	1,766,629	2015
PS Capacity Expansion Prg-Smithville PS capacity upgrade Ph 1	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	2015
PS Improvement Program - Ontario St SPS	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	2015
PS Improvement Program - Roberts Rd SPS	4,760,000	0	4,760,000	1	4,759,999	989,999	3,760,000	2015
PS Improvement Program - Victoria Rd	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	2015
Sewer & Forcemain Prg-Park Rd Sewer Repl	5,000,000	0	5,000,000	0	5,000,000	500,000	4,500,000	2015
Sewer Relining Program	3,100,000	0	3,100,000	0	3,100,000	90,000	3,010,000	2015
Welland HRT Flow Monitoring	2,120,000	0	2,120,000	519,579	1,600,421	300,421	0	2013 *
Welland WWTP Upgrade Program	2,500,000	0	2,500,000	1,079,003	1,420,997	381,936	1,039,061	2014
Wet Weather Flow/CSO Control Program	3,700,000	0	3,700,000	0	3,700,000	1,000,000	2,700,000	2016
WWTP Upgrade Prg-Port Dalhousie WWTP Upgrade-Laneway Upgrades	1,500,000	0	1,500,000	1,946	1,498,052	499,943	998,109	2014
	75,878,874	2,344,876	78,222,949	21,512,225	56,710,724	8,528,025	43,582,699	
Water Works								
Decew WTP Upgrade based on age/cond	10,000,000	0	10,000,000	2,543,401	7,456,599	2,916,998	4,539,601	2015
Edgedale / Eastchester Watermain Replacement	12,351,104	787,600	13,138,704	6,611,689	6,527,035	2,603,997	3,923,037	2014
Grimsby WTP Brick Replacement	5,000,000	0	5,000,000	136,515	4,863,485	954,789	3,908,716	2015
Niagara Falls WTP Structure Upgrades - Settling Tanks	7,000,000	0	7,000,000	4,002,180	2,997,820	2,129,285	868,555	2014
Painting Bemis Park Elevated Tank	2,000,000	0	2,000,000	0	2,000,000	1,325,000	675,000	2013
Repair & Painting Lundy's Lane Elevated Tank	1,200,000	200,000	1,400,000	5,597	1,394,403	1,000,000	394,403	2013
Trunk Watermains on Ontario St / Welland Ave	8,618,480	0	8,618,480	7,417,916	1,200,564	1,200,564	0	2013
Watermain Replacement Farr Ave / Highland Ave (design)	2,400,000	0	2,400,000	989,072	1,400,928	1,000,000	400,928	2014
Welland WTP Upgrade (Revised)	2,105,903	0	2,105,903	883,391	1,222,512	225,168	997,343	2014
WM Prgm-Watermain replacement on Collier Rd	4,500,000	0	4,500,000	0	4,500,000	500,000	4,000,000	2014
WTP Upgrade Prg-Grimsby WTP replace high lift pumps	1,500,000	0	1,500,000	100,371	1,399,629	1,200,000	199,629	2013
	58,675,487	987,600	57,663,087	22,799,112	34,862,975	15,955,761	19,907,212	
Projects with remaining budgets >\$1M Total	438,572,931	6,098,206	436,671,137	95,079,308	341,606,829	55,938,456	296,488,978	

* Per CSD 107-2013 this project was approved for a budget reduction subsequent to Sep 30, 2013. Forecasted cashflows reflect this reduction.

Capital Project Negative Budget Variances

The Capital Asset Management Policy requires monitoring of capital projects to identify projects for which a funding deficit has occurred and provides guidelines for addressing those deficits. Criteria used to identify significant variances are those greater than \$5,000 and five per cent over total budget at a parent project level. The policy also requires that projects be put on hold where they have been reported two times consecutively, until such time as a funding source has been identified.

Project Description	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Variance	
			\$	%
General Government				
ZGG1002 - Niagara District Airport	\$ 11,557,999	\$ 12,009,033	\$ (451,034)	3.90%
Explanation: The Niagara District Airport project, funded through the Infrastructure Stimulus Fund (ISF) has completed construction however the project remains open due to deficiencies. The majority of these deficiencies have been rectified however there remains a performance issue related to the asphaltic concrete pavement on the apron. Additional costs are possible yet unknown at this time as they are dependent on the outcome of the deficiencies and legal action.				
Properties Management				
ZGD0705 - Module System Upgrade	\$ 485,000	\$ 512,982	\$ (27,982)	5.77%
Explanation: Additional costs incurred were related to the Campbell West washroom renovations. Project scope was expanded to include items not originally included in the budget.				
Transportation				
ZRC0236 - Reconstruction RR 81 (St. Paul St.) Ninth to Seventh St.	\$ 7,080,978	\$ 7,726,770	\$ (645,792)	9.12%
Explanation: As outlined by memo to Public Works Committee (PWC 50-2013), cost overruns are due to design changes to the structural retaining walls and additional contaminated materials to be disposed of off-site. The most recent forecasted cost overrun for project completion is in the range of \$1.8M to \$2M.				
Total	\$ 19,123,977	\$ 20,248,785	\$ (1,124,808)	

Investment Report (in 000's)

Institution	Aggregate Amount of Investment by Institution	Percentage Holdings by Security excluding Cash Balance
Investments		
Region of Niagara	27,485	6.6%
Federal	14,867	3.6%
Provincial	122,729	29.5%
Municipal	55,700	13.4%
Corporate	195,897	47.0%
TOTAL excluding Cash	416,679	100.0%
Cash (General Checking) *	31,335	
Cash (Savings)	65,966	
Cash (Sinking Fund)	109	
TOTAL including Cash	514,088	

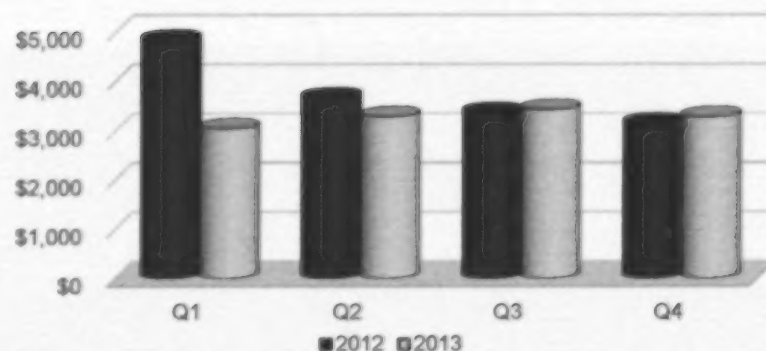
Note: Cash balances shown are the amounts held by the financial institution at the end of the quarter and do not include adjustments for outstanding payments or deposits.

Funds	Book Value	Weight Q2
Cash	97,301	18.9%
Cash Equivalents < 1 Year	72,255	14.1%
2 Year	100,661	19.6%
3 Year	76,319	14.8%
4 Year	41,190	8.0%
5+ Year	121,677	23.7%
Sinking Fund (Incl. Cash)	4,685	0.9%
Total Portfolio	514,088	100%

Investment Update

Investment earnings on the portfolio for the third quarter of 2013 amounted to \$3,432,765. Segmented earnings were \$2,871,181 on investments, \$489,848 on the cash balance, and \$71,736 in capital gains. The third quarter annualized yield on the investment and cash portfolio was 2.65 per cent vs. 2.62 per cent in the prior quarter. At September 30, 2013, the portfolio had unrealized market gains (market value vs. book value) of \$5,900,456. Forecasted gross investment income for 2013 is favourable when compared to the budget by \$1,227,097.

Quarterly Gross Investment Income



	Q1	Q2	Q3	Q4	Total
2012 Actuals (Gross)	4,846	3,672	3,369	3,144	15,031
2013 Budget (Gross)	2,862	2,969	3,030	2,971	11,832
2013 Budget (Net)	2,862	2,969	3,030	2,371	11,232
2013 Actuals (Gross)	3,051	3,290	3,433	3,286	13,060
2013 Actuals (Net)	3,051	3,290	3,433	2,686	12,460

Note: Net amounts are after interest allocation to reserves and recommended transfer to/from investment income stabilization reserve.

Budget Adjustment Summary

Throughout the year, budget adjustments are made to reflect revised external funding for programs and to reallocate costs between departments or accounts due to operational changes. The primary drivers of the external funding adjustments are Ministry funded programs as they set their budgets following Regional budget approval. However, the Ministries want to see these dollars reflected in the Region's budget. For this reason, adjusting the gross budget throughout the year has been a long standing practice of the Niagara Region. Adjusting the gross budget has no impact on the levy as both external revenue and expenses are increased equally to reflect program requirements. The net budget, impacting levy and rate, is not adjusted. Below is a summary of gross budget adjustments that have been processed to date. Reallocations of costs within departments or categories are not summarized below. The adjusted budget is presented throughout this reporting book.

Original Budget Revenue & Expenditures **\$ 803,637,573**

Budget Adjustments (Adjustments to the original gross revenue & expenditure budget).

<u>Department</u>	<u>Amount</u>	<u>Details</u>
Community Services	\$ 223,137	Budget compliance - A matter of labour relations operating impacts to Niagara Region's Long Term Care (confidential report COM 42-2012)
Community Services	210,669	Per diem funding increase related to Deer Park Villa construction
Community Services	186,452	Funding for Deer Park Suites enhanced client services and South Niagara Health and Wellness Centre enhanced client services (COM 43-2012)
Community Services	401,438	Funding for Convalescent Care Program (COM 08-2013)
Community Services	23,533	Funding for Program Support Services Level of Care (COM 29-2013)
Corporate Services	416,906	Allocation of funding source as directed by Regional Council
Public Health	39,325	Funding for Health Communities Fund Partnership Steam (Apr 1, 2012 - Mar 31, 2013) fiscal year announced December 21, 2012
Public Health	64,750	Funding workplace-based cessation demonstration project (2012-2013) and Smoke-Free Ontario Strategy (Aug 1, 2012 - Mar 31, 2014) announced December 24, 2012
Public Health	37,136	Additional subsidy received for pay for performance adjustment
Public Health	241,177	Funding for Panorama Project (Apr 1, 2012 - Mar 31, 2013 as per Amending Agreement No. 4)
Public Health	(40,000)	Refinement of subsidy expectation for Breastfeeding Social Determinants of Health program
Public Health	189,164	Ministry of Health and Long Term Care funding changes for Tobacco Protection & Enforcement, Healthy Smiles Ontario, Child in Need of Treatment (CINOT) Expansion Program and Needle Exchange Program
Public Health	456,379	Funding for Healthy Babies, Healthy Community Fund and Panorama Project (Ministry Funding Letters for Apr 1, 2012 - Mar 31, 2014)
Public Health	334,659	Funding for Physician Services Agreement (annualized based on Jan - Mar 2013 PSA Funding Agreement)
Emergency Services	619,879	Funding for Offload Nurse (Apr 1, 2013 - Mar 31, 2014) (PHD 17-2013)
Emergency Services	94,801	Increased 2013 funding for Land Ambulance (PHD 15-2013)
September 30, 2013 Adjusted Budget	\$ 807,137,068	

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region's financial operating activity as of September 30, 2013 and forecasts expected operating results to the end of 2013. These statements have been compiled by Corporate Services and the departments have validated the information and provided forecasts and commentary.

These statements present the net funding position of Niagara Region's operating budget and do not include Private Sector Accounting (PSA) adjustments for amortization, employee future benefits and landfill liability. Approved and/or expected unbudgeted transfers to/from reserves can offset other variances and impact net surplus/deficit reported by departments. These statements do not include capital activity.

Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this quarterly financial update. Readers of these reports are cautioned that actual operating results may vary from the forecast information presented for 2013.

To better help users understand what is included in the report, below are some definitions.

Report Columns

Annual Budget - represents the annual budget approved by council in December 2012 with budget adjustments as explained on page 47.

Year To Date Budget - represents the portion of the annual budget expected to be realized from January through September.

Year To Date Actual - represents actual costs incurred and revenues earned from January to September. Departments have accrued for goods or services received but not yet paid for and revenues earned but not yet received.

Year To Date Variance - represents the difference between the year to date budget and the year to date actual. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Year To Go Forecast - represents the expected expenditures and revenues for the remainder of the year (October to December). Departments determined these forecasts based on knowledge of current operations. As noted, actual operating results may vary from the forecasted information presented.

Annual Forecast - represents the year to date actual plus the year to go forecast. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2013. As noted, actual operating results may vary from the forecasted information presented.

Annual Budget vs Forecast Variance - represents the difference between the annual budget and the annual forecast. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Explanation of Statement of Operations (continued)

Report Rows

EXPENDITURES

Personnel Costs - includes all salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administrative Expenses - includes some allowances (car, mileage, etc.), memberships, training and related expenses and other miscellaneous expenses.

Materials, Supplies and Utilities - includes costs for; chemical, medical and office supplies, small equipment, waste management supplies, and all utilities.

Repairs & Maintenance - includes all costs to repair or maintain equipment, property and vehicles.

Purchased Services and Other Operating Expenses - includes costs for audit, advertising, consulting, insurance, leases, contracted services, Provincial Offenses Act (POA) expenses and other expenses.

Social Assistance - costs include all Ontario Works allowances and benefits program costs.

Financial Expenditures - includes all interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments through the chargeback/recovery process.

Capital Equipment and Renovation - costs include all capital expenditures processed through the operating statement.

Niagara Regional Housing (NRH) Provider Subsidy and Supplements - includes all rent supplements and the use of all housing related subsidies.

Transfer to Reserves - includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

Allocations Between Departments – includes all direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate. The pre-established rate is intended to recover the costs incurred by the service provider (time and material).

Allocations Within Departments – includes all costs for shared services that are allocated between divisions internal to their department.

Allocations to Capital Program – includes all eligible costs recorded and managed in the operating program allocated to the capital program.

Explanation of Statement of Operations (continued)

Indirect Allocation – includes all costs that are not directly traceable to a specific program or department (i.e. HR, finance, legal, IT, properties, print shop and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Debt Allocation – includes allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.

REVENUES

Taxation – Levy - includes all revenues received from area municipalities including payment-in-lieu and supplemental. It also includes power dams revenue.

Taxation – Rate - includes all funds received to support waste management, water and wastewater operations.

Ontario/Canada Grants - includes all funds received from the provincial and federal governments.

Fees and Services Charges - includes shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue - includes shared services revenue (with shared services agreement), investment income, POA revenue, recycling revenue, NRH revenue and other revenue.

Transfers from Reserves - includes all transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.



Quarterly Financial Update



Niagara Region Printing Services – November 14, 2013